Daily Report

East Europe

FBIS-EEU-92-231
Tuesday
1 December 1992

Daily Report
East Europe

FBIS-EEU-92-231 *01 December 1992*

CONTENTS

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

BULGARIA

Official Reports on Trade Balance With U.S. *[BTA]* 1
Cabinet Adopts UN Resolution on Serbia Sanctions *[BTA]* 1
Romanian Fuel Export Duty Strands Motorists *[BTA]* 1
Romanian Customs Charges Protested *[BTA]* 1
Cabinet Approves Report on Talks With EC *[BTA]* 1
Progress at Talks With EFTA Reported *[BTA]* 2
Trade Agreements With Macedonia To Be Honored *[BTA]* 2
Zhelev on Consensus, Unlikelihood of Civil War *[Rome L'ESPRESSO 29 Nov]* 2
Consultations on Future Government Continue *[BTA]* 3
BSP Leadership Adopts Resolution on New Cabinet *[DUMA 23 Nov]* 3
BSP Postpones Formal Karamfilov Nomination *[BTA]* 4
Dogan on Possible Cooperation With BSP *[Sofia Radio]* 5
Dogan Describes Impressions on Meeting With BSP *[Sofia Radio]* 5
Zhelev Receives BSP Leaders Ananieva, Videnov *[Sofia Radio]* 6
BSDP Leaders Refuse To Join BSP Cabinet *[24 CHASA 24 Nov]* 6
Dimitrov Adviser Mishev Explains SDS 'Mistakes' *[BTA]* 6
SDS Head Discusses 'Plan' Against Movement *[DEMOKRATSIYA 26 Nov]* 7
Possible Parliamentary Alliances Viewed *[KONTINENT 23 Nov]* 8
National Consensus Seen as 'Only Hope' *[DUMA 21 Nov]* 8
Formation of Coalition Government Urged *[DUMA 23 Nov]* 9
Turkish Democratic Party To Be Established *[DUMA 23 Nov]* 9
Former Defense Official on 'Amateur' Diplomacy *[24 CHASA 21-22 Nov]* 10
Border Troops Commander Views Illegal Crossings *[DEMOKRATSIYA 26 Nov]* 11
Chief of Army Inspectorate Outlines New Role *[BULGARSKA ARMIYA 20 Nov]* 12
Local Religious Leaders Said Pressuring Muslims *[DUMA 23 Nov]* 12

CZECHOSLOVAKIA

Strasky Explains Past Conciliatory Attitude *[RUDE PRAVO 26 Nov]* 13
Predicts Short Life for Monetary Union *[CTK]* 15
Parts of Screening Law Declared Unconstitutional *[CTK]* 15
SNS Sees Political Program as Fulfilled *[CTK]* 15
Finance Minister Sees First Signs of Recovery *[CTK]* 16
Difficulties Facing Future Czech Army Viewed *[MLADA FRONTA DNES 24 Nov]* 16
More Czechs Than Slovaks Want To Divide Federation *[CTK]* 17
Citizens Want President Elected by Popular Vote *[CTK]* 17

HUNGARY

Jeszenszky: War More Likely Than Peace in Balkans *[MTI]* 18
Goncz, Lantos Agree Extremism Should Be Curbed *[MTI]* 18
State Secretary on Bos Issue Talks With Slovakia *[MTI]* 18
Jeszenszky Views Current Internal, External Issues *[Budapest Radio]* 18
Central Bank Chairman Views Exchange Rate Policy *[MAGYAR HIRLAP 21 Nov]* 19
Environmental Waste at Former Soviet Airport Noted *[MAGYAR HIRLAP 24 Nov]* 20
Defense Official Views Soviet Troop Withdrawal *[NEPSZAVA 21 Nov]* 20
Goncz Letter to Antall on Radio Chief Nominees *[Budapest Radio]* 22
Media Negotiations Unsuccessful *[Budapest Radio]* 22
Democratic Forum Organizations Hold Meeting *[MTI]* 22
Antall Reaffirms Role of Liberalism in MDF *[UJ MAGYARORSZAG 16 Nov]* 22

Csurka Denies Claims That He Is Anti-Semitic *[MTI]* 24

POLAND

Russians To Retaliate If Barracks Attacked Again *[PAP]* 25
Fewer Russian Troops Wanted in Kaliningrad *[PAP]* 25
Central Europe To Set Up Free Trade Zone *[PAP]* 25
Agreement Shows IMF Support for Economic Policy *[PAP]* 25
Walesa Meets Army Newspaper Staffers *[POLSKA ZBROJNA 24 Nov]* 26
Walesa Meets Journalists, Opposes Decommunization *[PAP]* 27
Government Willing To Aid Balkan Refugees *[PAP]* 28
Defense Minister on New Defense Doctrine *[SLOWO POLSKIE 18 Nov]* 28
Jaruzelski Does Not 'Expect Immunity' *[RZECZPOSPOLITA 25 Nov]* 30
Warsaw Committee For Abortion Referendum Created *[PAP]* 30
Finance System Receives Funds For Restructuring *[PAP]* 30
Sejm Passes Value Added, Excise Taxes *[PAP]* 31
German Neo-Nazis Active in Silesia *[Berlin BERLINER ZEITUNG 26 Nov]* 31

ROMANIA

Melescanu Comments on Talk With U.S. Congressman *[Bucharest Radio]* 33
Senator Coposu Views Talks *[ROMPRES]* 33
PUNR Representative Disappointed *[ROMPRES]* 34
Romanian President Discusses Internal Situation *[Paris TV]* 34
Vacaroiu Favors Social-Type of Market Economy *[ROMPRES]* 35
Nastase Accuses Moscow of Moldovan 'Blackmail' *[ROMPRES]* 35
CDR Leaders Discuss Political Strategy *[ROMPRES]* 36
Melescanu Leaves for Paris WEU Session *[ROMPRES]* 36
Government Views Decision on Wage Indexation *[ROMPRES]* 36
Vacaroiu Discusses 'Managerial Contracts' *[ROMPRES]* 37
Statistics Officials View Trade Balance Evolution *[ROMPRES]* 38
Finance Minister Georgescu Discusses Reform, Goals *[CURIERUL NATIONAL 23 Nov]* 38
National Bank Cuts Interest Rates 10 Percent *[ROMPRES]* 39
Defense Minister Discusses State of Army *[Bucharest TV]* 39

Bosnia-Hercegovina

UNHCR Says Few Countries Want Refugees *[TANJUG]* 44
Owen Against Division, Military Intervention *[TANJUG]* 44
Sarajevo Reportedly Under Fire From Serbs *[Sarajevo Radio]* 44
Reinforcements Said To Be Arriving From Serbia *[Sarajevo Radio]* 45
Belgrade Radio Reports on Fighting in North 45
Serb Supply Line Reportedly Cut in North *[Zagreb Radio]* 45
Evidence of Attempt To Break Siege Growing *[AFP]* 46

CROATIA

Yugoslavs, Croats Meet, Discuss Various Issues *[NOVI VJESNIK 20 Nov]* 47
Knin Serb Says Austrian Goods Reaching Krajina *[Vienna Radio]* 47
Diplomatic Relations Established With North Korea *[Zagreb Radio]* 48
Poll Results on Building Nuclear Power Plants *[SLOBODNA DALMACIJA 14 Nov]* 48
UN Troops Have 'Become Unwelcome' in Krajina *[VECERNJI LIST 17 Nov]* 49
HSLS on Dissatisfaction With Media, Economy *[VECERNJI LIST 18 Nov]* 49

SLOVENIA

Minister, Israeli Premier Discuss Cooperation *[Ljubljana Radio]* 51
Ministry Denies Secret Border Pact With Italy *[TANJUG]* 51
Democrats Seek Cooperation With 'Little Coalition' *[Ljubljana Radio]* 51
Christian Democrats Present Economic Platform *[Ljubljana Radio]* 52
Cooperation Signal From Liberal Democrats Sought *[Ljubljana Radio]* 52
Drnovsek Reaffirms Economic Policy *[Ljubljana Radio]* 52

YUGOSLAVIA

Federal

Panic Officially Announces Presidential Candidacy *[TANJUG]* 53
Panic Expects 'Greater Understanding' From Clinton *[TANJUG]* 53
Panic Says Western Sanctions Help Milosevic *[Vienna DER STANDARD 1 Dec]* 53
Panic Discusses Bonn Visit, Milosevic *[Hamburg DER SPIEGEL 30 Nov]* 54
Panic, Bozovic Differ on Economic Policy *[TANJUG]* 54
Belgrade TV Says Panic 'Running His Last Lap' 55
Government Objects to Mazowiecki's Report to UN *[TANJUG]* 55
Wiesel: Bosnian Camps Not 'Concentration Camps' *[TANJUG]* 56
Ministry Lodges Protest to Albania Over Kosovo *[TANJUG]* 56
Minister Warns Against Easing Arms Embargo *[TANJUG]* 57
Sanctions Halve Exports, Double Trade Deficit *[TANJUG]* 57
Issue of Who Controls Yugoslav Army Discussed *[NIN 13 Nov]* 58

Montenegro

Eight Candidates Put Forward for Presidency *[TANJUG]* 59

Macedonia

Gligorov Requests UN Troops on Kosovo Border *[Vienna PROFIL 30 Nov]* 59

Official Reports on Trade Balance With U.S.

AU2811191992 Sofia BTA in English 1832 GMT 28 Nov 92

[Text] Sofia, November 28 (BTA)—The commercial exchange between Bulgaria and the United States amounted to 1,511 million leva in January-June 1992, the STANDART NEWS daily quotes the chief of the International Relations Department of the Bulgarian Trade Ministry, Mr. Ivan Pavlov, as saying.

The aggregate amount of goods imported from the United States in the first half of the current year reached 224,000 tonnes and that of Bulgarian goods exported to the United States exceeded 18,000 tonnes. According to STANDART NEWS, Bulgarian-made wines, dairy products, foods, tobacco products and textile articles are very well received in the U.S. market.

Bulgaria's trade deficit with the United States has steadied at an average of 400 million leva since 1991, Mr. Ivan Pavlov reports. The bilateral treaty which entered into force in 1991 along with the general system of preferences provide opportunities for the expansion of Bulgarian exports to the United States. The Bulgarian-U.S. trade agreement regulates 50 percent of the goods included in the customs-tariff schedule and provides for the duty-free import of over 4,000 Bulgarian-made products into the United States.

Cabinet Adopts UN Resolution on Serbia Sanctions

AU2611194592 Sofia BTA in English 1825 GMT 26 Nov 92

[Text] Sofia, November 26 (BTA)—Today the outgoing cabinet decided to categorically support Resolution 787 of the United Nations Security Council on tightening the sanctions against Serbia and Montenegro. As this country would need technical aid for the implementation of tightened embargo measures, it will probably contact the UN Security Council Sanctions Committee.

The government approved a report on the draft agreements between the Governments of Bulgaria and of Sweden, Norway and Finland on the granting of state-guaranteed loans, included in the 1992 G-24 financial aid package, for the stabilization of this country's balance of payments.

The cabinet endorsed the agreement signed by Bulgaria and the United States on September 2, 1992 on the setting up of a Bulgarian-American Commission for Exchange in Education.

The cabinet approved Foreign Minister Stoyan Ganev's report on the status of Bulgaria's consulate general in St. Petersburg.

Romanian Fuel Export Duty Strands Motorists

AU2611204092 Sofia BTA in English 2025 GMT 26 Nov 92

[Text] Ruse, November 26 (BTA)—Cars have formed miles-long queues at the check point in Giurgiu, Romania, on the border with Bulgaria, after the Romanian authorities introduced a new export duty on petrol. Eyewitnesses say motorists bound for Bulgaria have to wait some 12 hours before they can cross the border, the BTA correspondent in Ruse reported.

On leaving Romanian territory, private owners of cars, buses and trucks are charged a 200 percent customs duty on the value of a tankful of fuel, irrespective of the actual contents of their tanks.

A large part of the Bulgarian motorists are forced to leave back their cars and walk across the border to seek money for the exorbitant duty. Some 70 privately-owned Bulgarian cars are already parked in front of the Bulgarian Embassy in Bucharest. Their owners have no funds to clear the Romanian customs.

Romanian Customs Charges Protested

AU3011201292 Sofia BTA in English 1908 GMT 30 Nov 92

[Text] Sofia, November 30 (BTA)—Mr. Dimitur Ikonomov, deputy minister of foreign affairs of Bulgaria, today received the Romanian ambassador in Sofia, Mr. Alexandru Petrescu, and handed him a note in connection with the unilateral introduction without prior notification of customs charges on private motor vehicles leaving Romania. The document says that these measures impede considerably the return of Bulgarian citizens from Romania and disrupt the road traffic. The Ministry of Foreign Affairs calls on Romania to reconsider its decision and revoke the introduced charges. Otherwise, Bulgaria reserves the right to introduce reciprocal measures with respect to Romanian citizens travelling to or across Bulgaria.

Cabinet Approves Report on Talks With EC

AU0112080492 Sofia BTA in English 2116 GMT 30 Nov 92

["Today"—BTA lead]

[Excerpt] [Passage omitted] The cabinet today approved the Deputy Prime Minister Ilko Eskenazi's report on Bulgaria's association negotiation with the European Community. On Mr. Eskenazi's initiative, the government discussed the position of the Bulgarian experts on the following round of association talks. The government recommended Bulgaria's negotiators to set forth this country's reservations on a number of controversial issues, like the origin of goods and the trade in fish and fish products. Bulgaria should seek, together with Romania, the extension of equal terms as those granted

to the three central European states: Hungary, Czecho-Slovakia and Poland. [passage omitted]

Progress at Talks With EFTA Reported

AU2611201992 Sofia BTA in English 1945 GMT 26 Nov 92

[Text] Sofia, November 26 (BTA)—In the first round of Bulgaria's negotiations with the European Free Trade Association (EFTA), the parties reached agreement on most of the issues discussed, Deputy Trade Minister Stanislav Daskalov, chief Bulgarian negotiator, reported on his return from Geneva today.

The harder nuts to crack will be discussed at the January round of talks, but it is clear even at this point that the EFTA members will extend a more liberal treatment to Bulgarian exports than the European Community. Trade will be completely liberalized upon entry of the agreement into force. A phased six-year liberalization of tariff barriers (which means that there will be no quantitative restrictions) will apply only to some textiles. According to Mr. Daskalov, difficulties will probably arise later on, when negotiations on farm products begin, as the EFTA member states are expected to defend their own farmers' interests. Nevertheless, this is the first step of Bulgaria's integration into the European economic structures, Mr. Daskalov stressed.

As to the Western reaction to the political crisis in this country, the deputy trade minister pointed out that the Geneva talks were of a strictly business nature and such matters were not discussed at all.

Trade Agreements With Macedonia To Be Honored

AU2511202092 Sofia BTA in English 1943 GMT 25 Nov 92

["Bulgaria To Carry Out Agreements With Macedonia Signed Before the Adoption of Resolution 787"—BTA headline]

[Text] Sofia, November 25 (BTA)—Bulgaria will carry out all trade agreements signed with Macedonia before the UN Security Council adopted Resolution 787, providing for tighter sanctions against Serbia and Montenegro, outgoing Trade Minister Aleksandur Pramatarski told BTA after a meeting with Macedonian Deputy Prime Minister Jovan Andonov, who was on a working visit here today.

Neftokhim has processed 72,000 tonnes of Macedonian crude and the petroleum products should now be transported to Macedonia. Mr. Jovan Andonov told the press that Macedonia was ready to admit Bulgarian observers or an international commission at government expenses to monitor the shipment. The Bulgarian Government will ask permission from the UN Sanctions Committee, Mr. Pramatarski said.

Mr. Andonov today met with Deputy Prime Minister Ilko Eskenazi and Finance Minister Ivan Kostov. The sides discussed transport links and the establishment of a Bulgarian-Macedonian Bank for Bilateral Settlements in 1993. The two countries should ask the United Nations for permission for new trade contracts.

According to the National Statistical Institute, bilateral trade amounted to over 50 million dollars in 1991, and over 90 million dollars in the January-June period of 1992. After the UN Security Council adopted Resolution 757, Macedonia topped the list of Bulgaria's trade partners among the former Yugoslav republics.

Zhelev on Consensus, Unlikelihood of Civil War

PM3011144492 Rome L'ESPRESSO in Italian 29 Nov 92 p 91

[Interview with Bulgarian President Zhelyu Zhelev by "W.G." in Sofia; date not given]

[Text] Bulgarian President Zhelyu Zhelev, a former dissident, is also a philosopher and a subtle intellectual. He received us in his Sofia office.

[L'ESPRESSO] Must East European intellectuals carry on taking part in active politics, or has the time come for a division of roles?

[Zhelev] With the fall of the communist regimes, a vacuum was created which needed filling. And only the intellectuals were ready for this, because having taken part in the struggle against the system, they enjoyed a certain moral credit. Thus they found themselves involved in politics willy-nilly. But I realize that when intellectuals get involved in active politics, they take on a role which is not theirs.

[L'ESPRESSO] But are you not afraid of ending up like Vaclav Havel, a generous intellectual but one who was misunderstood by the people and became a victim of professional politicians' squabbling?

[Zhelev] I thought I could complete my political mission within two or three years. Then we realized that transition to a market economy and democracy was a longer process. Today I am here in this office because my supporters and voters wanted it so, but I do not feel irreplaceable.

[L'ESPRESSO] Mr. President, in all the countries which have emerged from communism, there is a battle between those in favor of reconciliation and those who, on the other hand, call for a settling of scores with members of the old regime. Which side are you on?

[Zhelev] I would like reconciliation and national consensus. And 80 percent of Bulgarians think like I do. People are aware that, despite political differences and party preferences, national consensus is essential in order to enact radical reforms such as privatization of industry and the restitution of agricultural property.

[L'ESPRESSO] So what shall we do? A general pardon?

[Zhelev] Absolutely not. It is necessary to punish the real criminals, namely those who killed the opposition or locked them up in the gulag. But in a free state this seems to me to be obvious, there is no need even to question it.

[L'ESPRESSO] Mr. President, Bulgaria is a multinational country. There are about 1 million Turks. Do you not fear the possibility of an interethnic war like that in the former Yugoslavia?

[Zhelev] We are not a multinational country. We are a Bulgarian state, with substantial ethnic minorities. Having said this, I do not fear civil war. Indeed we, here in the middle of the Balkans, are pursuing the transition to democracy in a peaceful fashion, with no violence or excesses. Furthermore, the Bulgarian democratic movement has succeeded in solving the problem of relations with the Turks in a wise manner. We have righted the wrongs caused by the previous regime, which attempted to eradicate their religion and their traditions and which even went so far as to change their names into Bulgarian. Not one drop of blood has been shed in Bulgaria so far, thank God. And the civilized world respects us for this.

Consultations on Future Government Continue

AU2711215092 Sofia BTA in English 2007 GMT 27 Nov 92

[Iva Toncheva, Tanya Tsekova report]

[Text] Sofia, November 27 (BTA)—"We are still seeking a formula to settle the current cabinet crisis," Ahmed Dogan, leader of the ethnic Turks' Movement for Rights and Freedoms (DPS), said today after his meeting with President Zhelyu Zhelev, who is holding consultations on the formation of a new government. Under the Constitution, the second biggest parliamentary force—the Bulgarian Socialist (ex-Communist) Party (BSP), should form a cabinet after parliament passed two no-confidence votes on the cabinet headed by Filip Dimitrov. The Socialist Party is expected to nominate its candidate for the premiership early next week. The BSP still says its nominee will be an independent, who will unify the nation. They stress that they will name "a government of national consensus."

"We have not talked about a DPS cabinet yet," Dogan said, without ruling out the possibility that the DPS may be given a mandate to form a government. The leader of the DPS, which has 24 seats in parliament and will play a decisive role when the future cabinet is put to the vote, said that it is essential who the BSP will nominate. The new cabinet's programme comes next in importance. The DPS will support a government if it really answers to the description offered by the BSP and consists of people who could help Bulgaria out of the crisis. If the Socialists manage to find a formula of national consensus, this may be the next revolutionary act in Bulgaria's democratization, Dogan said.

After consultations with the president, the DPS leadership had an official meeting with the parliamentary BSP leaders. We have not pledged support except in principle, Ahmed Dogan told the press after the meeting. He expressed doubt that a monochrome government can help this country out of the crisis. Later on, BSP leader Zhan Videnov told a press conference that the BSP and the DPS have agreed that it is possible for an independent, competent nominee to the premiership to win a surprisingly large support in parliament.

The nomination has been declined so far by National Bank Governor Todor Vulchev, the independent trade unions president Krustyu Petkov, and president's adviser Mariana Todorova. All three of them are independents. Ahmed Dogan said it would be totally unacceptable to nominate a Socialist to the premiership, but the BSP itself has ruled out this option.

Zhan Videnov told the press that the DPS has set conditions about the prime minister's personality, his intentions about the cabinet's composition, and his programme for the first 3 to 4 months. This is a way to put off the elections by at least several months, according to Zhan Videnov. The Socialists discussed early parliamentary elections as a way out of the current cabinet crisis with the outgoing prime minister yesterday and with the DPS leaders today.

Ahmed Dogan believes that things will become clear early next week. BSP sources said Dogan had asked the Socialists not to hurry to nominate a candidate for the premiership in order to give a chance to the Union of Democratic Forces (SDS) to reach certain conclusions. The DPS leader had in mind the view of some 60 M.P.'s of the SDS, who still believe it possible to form a coalition cabinet of the SDS and the DPS.

Over the weekend, the Socialists will hold talks with representatives of the extraparliamentary forces. On Monday they will meet with the DPS leaders again.

BSP Leadership Adopts Resolution on New Cabinet

AU3011173592 Sofia DUMA in Bulgarian 23 Nov 92

["Resolution Adopted at a Joint Meeting of the Bulgarian Socialist Party Supreme Council and Deputies of the Parliamentary Alliance for Social Democracy"]

[Text] The joint meeting of the Bulgarian Socialist Party [BSP] and the Parliamentary Alliance of Social Democracy [PSSD] expresses its approval for the negative vote cast by the PSSD on the candidate for prime minister proposed by the Union of Democratic Forces [SDS]. This vote is the parliamentary expression of the public's prevailing negative attitude to the policy of confrontation, to the fundamental nature and negative results of the economic reform, as adopted by the last government, and to the disastrous social implications for the majority

of the population. The SDS program which was submitted to the National Assembly did not reflect any intention of taking a turn for the better.

The joint meeting confirms the readiness of the PSSD to accept the exploratory mandate for the formation of a government as envisaged by the Constitution. The BSP and its coalition partners shall accept the responsibility and devote all their efforts to the formation of a governmental program based on national consensus. Only such a government can overcome the cabinet crisis and prevent early winter elections.

The joint meeting authorizes the Executive Bureau of the BSP Supreme Council and the PSSD leadership to conduct negotiations with parliamentary and extraparliamentary forces, with trade unions, as well as with business and other influential social groups. Only through negotiations can we solve the questions related to the government's program, to the deadlines for action, and to the nomination of a prime minister and cabinet members.

The joint meeting adopts the following principles as basic guidelines for the stance of the BSP Supreme Council Executive Bureau and of the PSSD leadership in the negotiations:

—The preservation of civic peace and social stability;

—The guarantee of basic foodstuffs, of life-saving medicines, and of heating and electrical power for the population during the winter, while assessing the existing situation and necessarily unpopular measures;

—The pursuit of democratic changes and of accelerating the economic reforms. There is no question of regression, but of progress toward a social market economy, the prompt restoration of private land property, social privatization, the solution of state property problems, expanding private initiative and encouraging private national business, the creation of the conditions necessary to promote voluntary agricultural cooperatives, and free choice in the type of land cultivation;

—The implementation of the difficult transition process to the market economy with the minimum possible social sacrifices;

—The drafting and application of special measures for the areas and industrial sectors which are in a critical socioeconomic situation;

—The adoption of decisive measures to combat crime and corruption;

—The promotion of a foreign policy to promote Bulgaria's future integration into European and world structures and to overcome the dangerous Balkan situation.

The joint meeting is convinced that the government likely to implement the aforementioned principles should be composed of independent, authoritative, and competent figures, who embody the idea of national consensus, are capable of rallying broad social circles, and of earning the necessary parliamentary support. This does not exclude the possibility of proposing representatives of a political force who possess the aforementioned qualifications.

We appeal to the members, supporters, and the electorate of the BSP, to pursue their efforts in trying to preserve civic peace and to oppose any attempts to destabilize our society.

We recommend to all political and social forces that they avoid any destructive actions whatsoever, so as to contribute to efforts to overcome the political crisis in an atmosphere of peace and dialogue.

We are confident that the citizens of the Republic of Bulgaria will manifest their characteristic common sense, their independent and critical approach to social events, for the sake of preserving stability and intensifying the democratic processes and reforms.

21 November 1992.

BSP Postpones Formal Karamfilov Nomination

AU3011215492 Sofia BTA in English 2046 GMT 30 Nov 92

[Text] Sofia, November 30 (BTA)—The top leadership of the Bulgarian Socialist (formerly Communist) Party [BSP] and the BSP-led Parliamentary Coalition did not formally nominate a prime minister-designate at their meeting tonight. The consultation will be carried on.

The 57-year-old Social Democrat, Prof. Zakhari Karamfilov was nominated by the BSP Executive Bureau today but the final decision on the prime minister-designate should be taken by the parliamentary BSP. Talks are being held with other candidates too, top Socialist leaders told BTA today. The names of these people they preferred to keep secret. BSP might even resort to the nomination of a socialist for the premiership of the future cabinet.

At their meeting tonight, the Socialists released a special declaration emphasizing that the idea for the formation of a national concord government is "neither a trap nor a myth." The declaration stresses the paramount responsibilities borne by the parliamentary forces, the president and the trade unions. "The society expects them to make some efforts to secure a favorable groundwork for the formation and assistance to the future government," a formal statement of the BSP Press Office reads.

It is pointed out in this statement that several nominations for the premiership which correspond to the formula of independence, professionalism and respect have already been made public. Names are not mentioned here, either. At the end of last week, however, the BSP floor leader, Mrs. Nora Ananieva said that Prof. Todor Vulchev, governor of the Bulgarian National Bank, was the man embodying the "formula." The nomination for

the premiership has so far been declined by Prof. Vulchev, the leader of the Independent Trade Unions in Bulgaria (KNSB) Prof. Krustyu Petkov and the presidential adviser Mrs. Mariana Todorova.

After the BSP Executive Bureau named Prof. Zakhari Karamfilov as a prime minister-designate, the Bulgarian Social Democratic Party and Prof. Karamfilov, himself, demanded that "the government of national concord be formed on the basis of a political agreement and guarantees of the three parliamentary forces: BSP, the Union of Democratic Forces (SDS) and the ethnic Turks' Movement for Rights and Freedoms (DPS) along with the extraparliamentary forces and the trade unions under the auspices of the president." Mr. Aleksandur Tomov of BSP told BTA he doubted the possibility that such an agreement could be signed. BSP's preliminary talks cannot drag on much longer though the Constitution sets no restrictions to this term. The BSP floor leader, Mrs. Nora Ananieva told BTA that due to the various processes inside the Union of Democratic Forces, the Socialists did not view the SDS as an indivisible whole. The Socialist, Vladimir Topencharov told the press that since yesterday BSP was leading talks with individual parties affiliated to the SDS. The Movement for Rights and Freedoms has not announced a formal position yet. The DPS top leadership is expected to meet tomorrow.

Dogan on Possible Cooperation With BSP

AU2711191192 Sofia Khorizont Radio Network in Bulgarian 1730 GMT 27 Nov 92

[Text] As it appeared from President Zhelyu Zhelev's meeting with the Rights and Freedoms Movement [DPS] leaders, the latter are awaiting their consultations with the Bulgarian Socialist Party [BSP] to decide whether they will participate in a possible BSP government.

Our correspondent Diana Yankulova will tell us how the DPS leaders are assessing the situation and something about their arguments for the aforementioned wait-and-see approach.

[Begin recording] [Yankulova] The DPS is aware of the critical situation of the country. This argument, rather than the desire of demonstrating a firm stand, prompted the Movement's leaders to meet with President Zhelyu Zhelev. The categorical refusal of the Union of Democratic Forces [SDS] is not a good move under the psychological aspect of politics. If the government formula is satisfactory, and competent people are available to implement it, the question of who is forming the government should assume a minor importance.

This is what Mr. Ahmed Dogan said at the beginning of his statement after meeting the president.

[Dogan] It is very important to know whom the BSP will propose for the post of prime minister, and whether this will be an individual who is not affiliated with any party, or a well-known public figure, capable of committing himself to this task. We have no precise information from the BSP on the subject.

[Yankulova] The DPS is well disposed toward talks with the BSP because formulas for overcoming the situation must be found by all means. By next Tuesday [1 December] or Wednesday some kind of agreement, if not a consensus, should be reached. If not, it is the DPS's turn for the next mandate. It is the wish of the DPS that the next mandate should be jointly used by the SDS and the DPS, while the DPS is already prepared to discuss the problems concerning the future government team. In this connection, Mr. Dogan pointed out that this would happen only as long as the BSP has not found the best alternative and earned their support.

More details are expected to be heard after the consultations and the search for an outcome.

Under which conditions would the DPS support a BSP cabinet?

[Dogan] Under the condition that the formula for government built on national consensus should be really found. Perhaps this could be the next revolutionary act in the country's real democratization. Naturally, such a government of national consensus should not dilute the responsibilities of either the SDS or the other parliamentary forces.

[Yankulova] If the difficulties of the BSP in finding a suitable candidate for the post of prime minister should increase, and the alternative of a party-affiliated figure should be applied, the BSP can hardly count on the support of the DPS. This would mean that the formula of national consensus has not been achieved and it would logically lead to the third alternative envisaged by the Constitution, something which should not be overly dramatized, according to Mr. Dogan. [end recording]

Dogan Describes Impressions on Meeting With BSP

AU2711191792 Sofia Khorizont Radio Network in Bulgarian 1730 GMT 27 Nov 92

[Text] After his meeting with Zhan Videnov, Nora Ananieva, and Vladimir Topencharov, the representatives of the Bulgarian Socialist Party [BSP], Ahmed Dogan, leader of the Rights and Freedoms Movement [DPS], explained that, as a result of the meeting with the BSP leaders, the DPS Operational Bureau has obtained additional information on the intentions of the BSP Election Alliance on the so-called government of national consensus.

Ahmed Dogan expressed his hope that an appropriate formula likely to rescue the country from the crisis could be finally found.

Dogan pointed out that the government program which the BSP is proposing was not discussed at today's meeting.

In answering the question of how the support of the DPS for such a government would be expressed, Ahmed Dogan stated:

[Begin Dogan recording] We are still talking about support only as a matter of principle. The main problem is to find a suitable key figure, capable of representing de facto and de jure the called program government. For the time being, specific names were only occasionally mentioned, and the names we heard are not very acceptable to us, but at this stage we are discussing questions of principle. I even have some personal reservations against any government which is not based on multiparty cooperation. I doubt whether any other government is capable of rescuing our country from the situation of crisis. A government based on national consensus will perhaps be a first step toward the establishment of a new coalition in our near future, provided that a suitable figure is found in order to be placed at the head of this government. If such a figure should be found, I think that it would be in the interest of our country to form such a cabinet. [end recording]

Zhelev Receives BSP Leaders Ananieva, Videnov

AU0112141792 Sofia Khorizont Radio Network in Bulgarian 1400 GMT 1 Dec 92

[Text] On 1 December Valentin Stoyanov, spokesman for the president, said the following to the BTA:

Today President Zhelyu Zhelev received Nora Ananieva, leader of the Bulgarian Socialist Party [BSP] Election Alliance and Coalition, and Zhan Videnov, chairman of the BSP Supreme Council, at their request.

They informed him about the progress of the consultations related to proposing a candidate from their parliamentary faction for the post of prime minister.

President Zhelev categorically stated that he will stand by his principled position in accordance with the Constitution, and that he will issue a decree on giving a mandate to form a cabinet as soon as the second most powerful parliamentary faction nominates its candidate for the post of prime minister.

The BSP representatives assured the president that tomorrow they will present their candidate.

BSDP Leaders Refuse To Join BSP Cabinet

AU2711195692 Sofia 24 CHASA in Bulgarian 24 Nov 92 p 4

[Text] The BSDP [Bulgarian Social Democratic Party] will not take part in a government formed by the BSP [Bulgarian Socialist Party], BSDP leader Dr. Petur Dertliev declared. He did not mention whether the party had received an invitation to do so.

A one-party Socialist cabinet would have no chance, and accordingly the Social Democrats assume that the BSP will propose to the extraparliamentary parties that they would take part in its government.

If we consent to some government of experts, a program government, or some other invented kind of government, that would mean acquiescing to political irresponsibility, declared BSDP chief secretary Stefan Radoslavov. In his view, only the parliamentary forces should form a cabinet, because under the Constitution it is they who are responsible for carrying out the economic and political reform.

Dertliev's Social Democrats foresee the appointment of a caretaker government, followed by parliamentary elections in the spring. The BSDP leaders claim that this is inevitable, because the present parliament does not represent the new political situation in the country and the redistribution of political forces in society.

Dimitrov Adviser Mishev Explains SDS 'Mistakes'

AU2711204092 Sofia BTA in English 1701 GMT 27 Nov 92

[Text] Sofia, November 27 (BTA)—"The Aura of Power" is the headline of an interview with Mr. Konstantin Mishev, the now former personal adviser to outgoing Prime Minister Filip Dimitrov, published in the 1,000 DAYS weekly today. Mr. Mishev, who stayed out of the limelight for almost a year, came in the focus of public attention after his visit to Macedonia in late July. Then intelligence chief Brigo Asparukhov accused him of conducting negotiations on illegal arms trade. This was one of the reasons which later led to fall of the cabinet of Filip Dimitrov. The press called him "l'eminence grise" suspecting him of guiding some of the prime minister's actions behind the scenes. Before becoming a special adviser to the prime minister, Mr. Mishev worked for Radio Free Europe and was its correspondent in New York for several years.

There was nothing illegal in this visit, Mr. Mishev claims in his interview. According to him, he had only explored whether Macedonia would be interested in some offers, but no negotiations were held. The political decision whether to sell weapons to this country was to be taken after his exploratory mission. And the decision not to sell weapons at this stage was taken long before the issue was raised by Brigo Asparukhov, Mr. Mishev says in his interview. It should be known that Bulgaria is a country which controls its production, export and reexport of weapons, he stresses.

According to Mr. Mishev, the entire case was blown up in order to blackmail him. I am one of those who launched the struggle against corruption and illegal arms deals, Mr. Mishev claims, and according to him, this was one of the reasons for the attacks against him. What is important is that all this has discredited Bulgaria's ability to conduct an independent foreign policy in the Balkans for the first time in 110 years.

Drawing a balance of the achievements of the Union of Democratic Forces (SDS) during its one year in office, Mr. Mishev stresses that the SDS dispelled the myth of the power of the trade unions. We succeeded in showing once and for all that the merging of the trade unions with financial and state power is not good for this country, Mr. Mishev said. We defeated the strategy of the Communist Party which sought to create the impression that the social crisis stems from circles outside it. Mr. Mishev left Bulgaria for political reasons at the age of 28 during the communist regime. Now he has dual nationality—Bulgarian and American.

According to Mr. Mishev, the mistakes made by the SDS are the result of the lack of synchronization between the activities of the government, the political force and the Parliamentary Group. He believes that in this respect the SDS can learn from the Bulgarian Socialist Party (BSP). According to Mr. Mishev, there are three reasons for the discord between the people in the SDS: The megalomania of some, lack of understanding and the lack of political principles of others.

Mr. Konstantin Mishev expresses the opinion that President Zhelev is a figure which the Communists used after they lost the trade unions and after their press was discredited. I still believe that the president is not fully aware what he is doing, Mr. Mishev said.

Asked whether there is a conflict between the foreign political concepts of Filip Dimitrov and Foreign Minister Stoyan Ganev, Mr. Mishev criticized the foreign minister and expressed the opinion that some of his initiatives were not quite happy. According to Mr. Mishev, Prime Minister Dimitrov found it difficult to govern with Foreign Minister Ganev because of the latter's "total unwillingness to observe a common policy." After the recognition of Macedonia, nothing was done to continue this policy.

In order to understand the causes of the current cabinet crisis, it is necessary to see who is not interested in the stabilization of the institutions of power, Mr. Mishev said. According to him, these are the people of speculation, "large-scale money changers, such as several banks in Bulgaria, and those who do want the foreign debt problem to be settled so that control passes into foreign hands."

Mr. Mishev expresses the opinion that the is present [as received] in all actions of pouring funds from one place into another. These are former state funds which were poured into private companies, according to the former adviser of the prime minister.

Mr. Konstantin Mishev handed in his resignation three days before the government of Filip Dimitrov lost a vote of confidence in parliament. In his interview Mr. Mishev says that he owns a suspended firm in the U.S. for trade in works of art and that he owns pictures by Argentinean, German and Italian artists. He still works for an agency as a literary consultant and has received several good, as he put it, offers to teach in the U.S., but does not feel drawn to this kind of work. Now he is under strong attack from different directions.

SDS Head Discusses 'Plan' Against Movement

AU0112102392 Sofia DEMOKRATSIYA in Bulgarian 26 Nov 92 pp 1, 6

[Interview with Stefan Savov, Democratic Party leader, by Borislav Chalukov; place and date not given: "Who Is Trying To Split SDS"]

[Text] [Chalukov] Mr. Savov, attempts to split the Union of Democratic Forces [SDS] have become evident. Do you think they are serious and that at some point somebody could succumb to the pressure?

[Savov] I hope that the people in the SDS and the representatives of the various parties within the SDS are wise enough to withstand the pressure. Nevertheless, the pressure is great. This is another maneuver that is a part of the plan that is being implemented. Take for example the attacks against the Democratic Party, which are absolutely groundless. This is the situation—today the pressure is directed against this party, tomorrow against another. The goal is to split the SDS. All this is part of a greater plan that is being implemented in the country, and which began with the famous interview of President Zhelev in Boyana. Afterward I was forced to resign, and then everything ended with the vote of no-confidence in the government. I see the situation in Bulgaria in the context of a very clearly pronounced activation of the KGB.

I had the honor to be the honorary chairman of a symposium on decommunization, which was attended by representatives of all East European countries. The general tendency of the KGB activation was noted everywhere. This was so clearly noted that even in Germany, at another symposium I attended, the secretaries of the CDU and the CSU officially stated that they continue to intercept KGB instructions for the State Security System.

[Chalukov] Do you have the impression that the attack is conducted not only against separate formations but also against specific persons, and that it is being utilized by other persons? For example, you were toppled without any reason. Then an atmosphere was created in which we could lose our best men. First you, then Filip Dimitrov, and tomorrow perhaps someone else. Regardless of how absurd this sounds, does someone not expect us to start throwing overboard the elements that disturb mostly other people, and do so in the name of preserving our unity?

[Savov] This plan really aims at eliminating authoritative people, and the result is a certain reconciliation with the situation. Well, this one was eliminated, then another one, but let us look forward. Look, all the events that took place in Bulgaria in the last three months at first seem senseless; for example, my forced resignation. However, now it is becoming ever clearer after Dimitur

Dimitrov's interview with the BBC and Chavdar Kyuranov's interview with the press. All this shows that a plan is being implemented with the participation of the Movement for Rights and Freedoms [DPS], and that unfortunately, one of the major figures in this plan is President Zhelyu Zhelev. I insist on saying this, because he really participates actively in implementing the plan.

[Chalukov] Many people ask themselves in whose name Zhelev acts. On the other hand, perhaps this is a matter of personal ambitions?

[Savov] I cannot give you a categorical answer, but I think that he acts under the influence of certain forces. On the other hand, he appears to be absolutely power-hungry.

[Chalukov] Nevertheless, do you not think that the SDS must purge itself? Are there not people who in practice work against the SDS despite the fact that they have declared their affiliation and loyalty?....

[Savov] At the last meeting of the Coordinating Council I again appealed to the representatives of the Alternative Socialist Party [ASP] who come to the Coordinating Council meetings to clearly and precisely express their positions. It is impossible that the ASP representatives who attend the Coordinating Council say one thing, while their representatives, such as Asen Michkovski, who is their deputy chairman, continue to act all the time against the SDS. Some order must finally be brought in this.

[Chalukov] Occasionally, we hear the reproach that the SDS did not take its chance to place people who conduct its policy at all levels of the state hierarchy. Do you think that measures in this sphere were not active enough?

[Savov] Yes, I encounter this very often when I tour the provinces. Many people really complain that the nomenklatura members are at their posts, and that SDS people are being fired. All this is true. At first glance one could really say that we were not able to utilize the power. However, those people forget one thing—the SDS got only 35 percent of the votes, and before they were toppled, the Communists and their allies adopted a constitution that continuously hampers our actions. Do you not think that it is ridiculous to sentence Todor Zhivkov and former prime ministers for some chicken-feed affairs? However, this is how the situation with the law is.

Possible Parliamentary Alliances Viewed

AU2711183492 Sofia KONTINENT in Bulgarian 23 Nov 92 p 6

[Commentary by Vladimir Dvoretski: "Should We Expect a 'Pink' Cabinet?"]

[Text] Irrespective of the question whether the Bulgarian Socialist Party [BSP] parliamentary group and coalition will successfully utilize the mandate for the formation of a new government, the chances of a "red" or "pink" cabinet are minimal. It is not a question of ideology, because we can expect that, for the sake of national consensus and of the people's survival in the winter months, the second parliamentary force would agree to implement almost entirely the program of the Union of Democratic Forces [SDS]. The main problem is the impossibility of finding generally acceptable non-party experts or members of political forces who are not part of the red coalition and who would be ready to sacrifice themselves for the cause.

Unfortunately, the majority of prominent figures who were not linked with the BSP had already sacrificed themselves by joining the second Lukanov cabinet and Dimitur Popov's government. Nearly all the rest decided to run in the presidential elections, and in one way or another supported the Vulkanov-Vodenicharov team, after losing in the first round of the elections. The abundant heap of slanders and insults which were thrown at them by the SDS-controlled media should be a good lesson for those who are eager to preserve their good name and undamaged reputation in the memory of future generations.

Naturally, this does not mean that there are not enough people eager for ministerial posts—this would be an unheard of deviation from the Balkan tradition. Presumably, several representatives of extra-parliamentary forces have already checked the possibility of forming a government on a nationalistic basis at the expense of the third parliamentary force, both at Number 20 Positano Street [BSP headquarters] and at Number 134 Rakovski Street [SDS headquarters]. Although such a course would earn the approval of the extremist wings in the major political forces, it is doomed to failure, because of the resistance it is likely to meet in the parliamentary hall from the Rights and Freedoms Movement [DPS], the Alliance for Socialist Democracy, and the more liberal SDS deputies. The opposite alternative, however, namely the possibility that those three forces may form a cabinet, seems even more remote for the time being.

National Consensus Seen as 'Only Hope'

AU2911191092 Sofia DUMA in Bulgarian 21 Nov 92 p 8

[Article by Stefan Prodev]

[Text] Filip Dimitrov's third failure proved fatal not only for his own self-confidence, but also for the policy of the Union of Democratic Forces [SDS]-Movement. The radical forces of the dark blue [SDS] rightist forces, who tried to humiliate the parliament, were defeated. After the parliamentary slap of 20 November it is already clear to everyone that political obstinacy leads nowhere. Those who thought that the power was in their pocket, found themselves on the ground. Blinded by their maniacal thought of being most powerful and infallible, they were taught a historic lesson. From now on, this lesson will check the SDS-Movement each time it gets carried

away by power ambitions. All people in Bulgaria saw how helpless the imprudent and vain power can be, which does not take account of public opinion. In this context Filip Dimitrov's failure is more than indicative. Afterward there will hardly be a Bulgarian politician who would believe that he could rule the country through lofty phrases, while the land remains unsown, and destructive passions prevail in the country. This in itself should suffice to understand the difficult choice of the parliament and accept its verdict.

The catastrophe of Filip Dimitrov and his dark blue policy provides many lessons, one of which dominates all the rest: This is the lesson according to which modern Bulgaria does not believe any longer in the blue color, and that the idea of national consensus remains its only hope. Obviously, the single-color cabinets, like the last SDS-Movement cabinet, are devoid of Bulgaria's confidence. Therefore, presently no single political party is capable of ruling alone over the country's fate. The moment is ripe for a common action, the unification of all prudent political forces, and the creation of a broad ruling coalition that will offer the people a saving hand. This will be a coalition of the prudent, the sober, the just, and the capable, which will be able to ignore the narrow party interests in the name of the common national interest. Only a government born of such a faith could stand on a firm foundation, strengthen Bulgaria, and lead the country toward the safe shore. In this enterprise there will be no place for political egotism, and every attempt to invoke it will destroy the last human hope. Therefore, now, after the defeat of the SDS-Movement, the road toward the national consensus is the only one left. Whoever fails to understand this will experience the bitter fate of Filip Dimitrov and the people around him. He could create storms and winds but would not help the people.

The unresolved cabinet crisis is a grave political and social wound that must be healed as soon as possible. Every attempt to pick at the wound will place the country in front of the final catastrophe. Therefore, the Socialists are ready to offer their hand to all prudent and honest patriots and propose common work. There is only one Bulgaria, and let us forget the horrors that divide it. The new prime minister must be a man of all people and for all people, rather than a toy in the hands of the imprudent and greedy ones. They—the imprudent and greedy ones—received what they deserved. Let us hope that the grave loss will not further mess up their heads. Let us hope that they will find the forces to step aside with dignity and give the right of way to the idea of national consensus. Otherwise, the winter will invite us to new elections.

Formation of Coalition Government Urged

AU0112145292 Sofia DUMA in Bulgarian 23 Nov 92 p 6

[Commentary by Evgeni Gavrilov: "Bulgaria Is Doomed to Coalition Government"]

[Text] The last two years of Bulgaria's political life definitely proved that a coalition government is the country's only chance. In the fall of 1990 Andrey Lukanov, who was then prime minister, formed a single-party cabinet. It did not last even three months. Now history repeats itself. "The first democratic government" existed for more than one year and proved that it was not capable of anything except justifying its incompetence.

After almost two years since the beginning of the so-called reform, the reform amounts only to liberalizing prices and adopting radical monetary measures against inflation, which already cannot sustain it within the promised limits.

Despite the fact that it made some mistakes, it appears that Dimitur Popov's coalition government was the most vital one under Bulgarian conditions—namely, the existence of a radical polarization of the political forces, and a parliament in which there is no clear majority. This kind of cabinet was practically supported by entire society. Deputy Prime Ministers Aleksandur Tomov and Dimitur Ludzhev were the basic figures in that cabinet. No important decision could be adopted without their approval.

In that cabinet competition and mutual control existed side by side. They did not allow any blunders of the kind Fil's [outgoing Prime Minister Filip Dimitrov] team made. Indeed, Filip Dimitrov changed some of the players, but this did not produce any change in the political line, created by special advisers and counterdisinformators, and formally approved by the ministers. The sense of infallibility was one of the most lethal delusions, which produced the situation that exists at present at the top of the executive power.

If a coalition government is formed by the major parliamentary forces on the basis of specific commitments, the issue of who controls the enforcement ministries and the special services will not be posed as sharply as it is now, because the influence over them will be equally divided. Apparently, Konstantin Mishev's boss [Filip Dimitrov] had too big an appetite for those ministries and services. On 16 November he openly demanded to control all the strategic information related to the country's defense and internal security. Afterward Filip Dimitrov realized that he did not select the right moment and withdrew his demand, but his new blunder could not be concealed.

Turkish Democratic Party To Be Established

AU2711211192 Sofia DUMA in Bulgarian 23 Nov 92 p 1

[Report by Tonka Petrova: "Turkish Democratic Party To Be Established Today"]

[Text] Adem Kenan informed a DUMA correspondent that a secret constituent meeting of the Turkish Democratic Party will take place in a major city in central Bulgaria, and that on 24 November the party will be an

accomplished fact. There are only two to three Bulgarians among those who will establish the party, but it is expected that many more will join because the charter of the Turkish Democratic Party contains no admission restrictions, says Mr. Kenan, a former member of the Grand National Assembly who lives in Yasenkovo village, Shumen region.

Former Defense Official on 'Amateur' Diplomacy

AU3011100592 Sofia 24 CHASA in Bulgarian 21-22 Nov 92 p 10

[Interview with Valentin Aleksandrov, former secretary of state at the Defense Ministry, by Lyubomir Denov; place and date not given: "Amateurs Were Dealing With Defense Diplomacy"]

[Text] [Denov] Mr. Aleksandrov, is it true that you were dismissed on disciplinary grounds?

[Aleksandrov] No order was handed to me, I learned about it from the press. I have been seriously ill and off work for several months. The news is no surprise to me because this is the third attempt to remove me from the Defense Ministry since last September. First, I was anonymously informed that the post of secretary of state at the Defense Ministry was being eliminated, then the minister's secretary told me over the telephone that I should submit my resignation. Both attempts failed....

A month ago a search was made through my personal file on instructions from above. They failed to discover anything except that I graduated from the Diplomatic Academy in Vienna and worked as a freelance literary contributor to the ANTENI journal.

[Denov] The Rakovski Legion claims that you were one of the few good professionals on the Defense Ministry's civilian team. Why were you removed?

[Aleksandrov] Posts in the field of military diplomacy are greatly sought after by Staliyski's new team. I am referring to the Politics and Security Department of the Defense Ministry. In the course of a few months, the International Affairs Section was removed from my control and handed over to the minister's office. Later, they also took over the passport and financial sections. This happened after the wife of the outgoing defense minister was refused a diplomatic passport. All these actions were tantamount to eliminating the Defense Ministry's Military-Economic Sector which, by the way, was set up by documents signed by the prime minister and the president!

[Denov] You are not talking like someone who has been offended, are you?

[Aleksandrov] No.

[Denov] What happened after the amateurs took over military diplomacy.

[Aleksandrov] A series of blunders. From August until the present, Minister Staliyski's trips abroad were prepared by people whom I would not describe as professionals. They regarded the creation of a new image for Bulgarian military diplomacy as pleasant official jaunts to London and Paris.

A typical example is the way candidates for the NATO college in Rome were switched. After making a detailed analysis, we appointed four persons with proven qualities, one of whom was G. Mikhov, deputy chief of the Politics and Security Department, a diplomat with 20 years experience, including 11 years spent abroad. The General Staff proposed two officers from the Disarmament Department who are highly qualified specialists, and the Foreign Ministry also proposed its own expert. Fine! However, this was not to be. Some 30 days ago, Mr. Staliyski canceled their postings, which had already been approved by the Italians. In the final event, an odd little group of "specialists" left for Rome: Mrs. Madzharova, chief of the cadres section; one quartermaster officer from the Defense Ministry; and one officer specializing in radioelectronic warfare. As a consequence of this, we soon received a scandalous letter from Brussels, stating that such blunders have a bad effect on the Bulgarian Government's authority. In recent months, NATO has started to cool toward Bulgaria.

[Denov] Did not the same thing happen in the selection of the delegation that visited England at the invitation of the Royal United Services Institute?

[Aleksandrov] Unfortunately, it did. A group left for England that I am unable to describe, including two persons from the minister's immediate entourage. One of them, the spokesman Marcel Levy who has now been dismissed, even amazed the imperturbable British by his lack of professionalism. The Royal Institute is unlikely to repeat its invitation.

[Denov] Was there any conflict between you and Staliyski?

[Aleksandrov] No, I unequivocally declare that no such conflict exists. I am convinced that Staliyski was misled by his incompetent entourage. Aleksandur Staliyski is a tried and tested man, a convinced anticommunist who deserves respect.

Look, if a State Security plan had existed to drive a wedge between us, it would have consisted of placing incompetent people in key state posts. Mediocrity compromises the blue [Union of Democratic Forces] idea.

[Denov] You are the only member of ex-Minister Ludzhev's team who did not leave, and you started to work with the people whom Staliyski brought with him. Why then did you not resign?

[Aleksandrov] It was not because I did not get on with Ludzhev. Quite the contrary, we thought along the same lines. I simply wanted to work, instead of engaging in

politics. My only disagreements with Ludzhev concerned who should be in charge of military counterintelligence and the military police.

[Denov] Who?

[Aleksandrov] For example, the military police should be under the control of the garrison commanders, not the minister. However, in their day to day operations they would be directed by the Military Prosecutor's Office.

[Denov] Mr. Aleksandrov, have you been a member of any political parties?

[Aleksandrov] I was a member of the Democratic Party, and left it for personal reasons.

[Denov] Do you not think that you are extremely vulnerable because no influential political force stands behind you?

[Aleksandrov] That is possible.

Border Troops Commander Views Illegal Crossings

AU0112133292 Sofia DEMOKRATSIYA in Bulgarian 26 Nov 92 p 6

[Interview with Colonel Georgi Teterekov, Border Troops commander, by Nedko Petrov; place and date not given: "Situation on Borders Is Not Calm, But No Danger to Bulgaria Exists"]

[Text] [Petrov] Colonel Teterekov, what is the situation on our four borders, against the background of the fact that the troops you command guard borders whose combined length is 2,365 km?

[Teterekov] The situation is not calm in all four directions. There are many more attempts to cross the border illegally than last year. Last year we had 886 such cases, involving 2,242 violators. So far this year we had 836 cases and 3,263 violators. The so-called high risk group of Arabs, Africans, and other foreigners, who enter Bulgaria because of the relaxed visa requirements and use our country as a stepping stone to other countries, also is not decreasing. The Bulgarian violators also are numerous, but now they do not try to cross the border because of political reasons. The attempts to cross the border rather have social, economic, and criminal character. However, 80 percent of the violators are foreigners, which also explains why the attempts to cross the border illegally increased eight times in comparison to the past.

[Petrov] At what border is the situation most disturbed and how is the control over the embargo against Yugoslavia being carried out?

[Teterekov] The most disturbing situation exists on our western border. At that border, there are established channels of illegal transfer, and the price varies between $100 and $5,000 in accordance with the "service." In addition there are frequent attempts to trade with food. We also eliminate channels of drug trafficking. However, in the context of the situation in the former Yugoslavia, I do not think that there is a reason for concern, at least for the time being. This was also noted by the EC observers, with whom we effect joint control.

The issue of the control along the Danube River regarding the UN embargo against Serbia and Montenegro is very topical. The Border Troops have a role in this process, although we do not have the right to make searches. In this case our participation is reduced to assisting the customs authorities that check the vessels.

Along our southern border the "appetite" of the violators is mainly directed toward Greece, which can be explained by Greece's high standard of living and the possibility to continue on to other Western states. This creates problems for the Greek border authorities, with whom we cooperate in catching and returning violators. The border with Turkey is the most quiet. The fewest violations take place at that border. Along the northern border the problems result from the fact that there our capacities and means are the smallest, and the possibilities to effect control are limited. The citizens of the Commonwealth of Independent States create problems along the northern border. They come to Bulgaria to trade with everything, including weapons.

[Petrov] Col. Teterekov, what is the most difficult problem the Border Troops face at present?

[Teterekov] First, the mine fields along the Greek border, which are the result of the so-called revival process. It is high time to tell the truth about who was responsible for creating those mine fields, which now create serious problems for those guarding the border. There were many cases in which the mines, planted along dozens of kilometers, caused losses of human life.

The problem is much more serious than on could imagine, because the natural conditions changed the schemes according to which the mines were planted. Now we have no 100-percent guarantee of being able the clear the mine fields, because we do not know whether the mines that were planted have shifted position and in what direction.

[Petrov] Recently, the press insistently writes about "emasculating" the Border Troops through "dismissals" of officers. What is the truth?

[Teterekov] The replacement of part of the commanding staff and the unit commanders unsettled the morale. Various interpretations emerged, and I want to thank DEMOKRATSIYA for coming to the main source, because other papers reflected the issue in an incorrect and biased manner. I want to stress that those officers, whose number was 18 and not 70, as the press said, retired, and were not discharged! I would not say that the retirement of 18 officers "emasculates" the Border Troops, and I reject the allegation that the units remained without commanders. The basic idea was to

rejuvenate the commanding personnel, because many promising cadres were blocked for 10-15 years precisely because the posts were occupied by officers at the age of retirement. Retirement after a service of 20 years is absolutely legal from any point of view. In addition, all those who retired will receive a bonus that equals a year's salary.

Chief of Army Inspectorate Outlines New Role

AU2711212792 Sofia BULGARSKA ARMIYA in Bulgarian 20 Nov 92 pp 1, 3

[Interview with Army General Yordan Mutafchiev, chief inspector of the Armed Forces and ex-defense minister, by Major Spirdon Spirdonov; place and date not given: "The Inspectorate Will Change the Image of Inspection Work"]

[Text] [Spirdonov] Reports have appeared in some mass media that the Armed Forces Inspectorate is the result of a chance brainwave of the defense minister on how to deal with certain generals. Is this so?

[Mutafchiev] Of course not. The formation of the inspectorate results from an objective need to implement a new kind of control. It is a self-governing, independent institution coming under the direct control of the defense minister and, through him, the Council of Ministers, president, and National Assembly.

[Spirdonov] The defense minister also uses the Armed Forces Inspectorate to implement control over the troops of other ministries and government departments. Why does the inspectorate form part of the Defense Ministry's structure, instead of coming under the Council of Ministers, the presidency, or the National Assembly?

[Mutafchiev] At the present stage, the inspectorate's aims, functions, and goals are most directly connected with the activities of the Bulgarian Army.

The draft law on defense and the Armed Forces states that the defense minister "...coordinates the activities of the other ministries and departments regarding defense issues." The inspectorate is the minister's organ for inspecting and monitoring the ministries' military formations that carry out tasks in the interest of the Bulgarian Army in peace and wartime. The control function in their troops is not connected with their economic activities.

[Spirdonov] What are the new features in the inspectorate's work?

[Mutafchiev] The new element is the scope of the control function. The inspectorate has been set up as an organ to make inspections and evaluations in all spheres of activity in the Armed Forces, not only in the Bulgarian Army. Its functions do not merely end with inspecting the state of combat training and readiness, which was true of the previous inspectorate.

[Spirdonov] Could you describe the structure and composition of the inspectorate?

[Mutafchiev] The inspectorate is headed by a chief inspector of the Armed Forces, who is a direct commander of the entire personnel of the Armed Forces and is a member of the Military Council. Its structure includes two deputy chief inspectors, several inspectors of the individual armed services, and an inspectorate for the troops of the other ministries and departments.

[Spirdonov] Will the inspectorate's structure and tasks change in the course of time?

[Mutafchiev] Undoubtedly! We will proceed to optimize and perfect the structure and comprehensive scope of the goals and tasks of inspection, and will do this on the basis of our own experience and that of the inspection organs in other European states.

Local Religious Leaders Said Pressuring Muslims

AU2711211992 Sofia DUMA in Bulgarian 23 Nov 92 p 1

[Report by Radka Petrova: "Emissaries Interfere With Ethnic Self-Determination of Bulgarian Muslims"]

[Text] According to a local source, religious leaders reportedly force descendants of Bulgarians in the villages of Chernichevo and Egrek and those near Avren who have been compelled in the past to convert to Islam to say in the upcoming census that they belong to the Turkish ethnic group. The pressure is being applied secretly and through the threat that those who will not obey will burn in hell. In addition, the Bulgarian Muslims are being pressured to return their Turkish name and change the Bulgarian names of children born after 1972.

Strasky Explains Past Conciliatory Attitude

AU0112111692 Prague RUDE PRAVO in Czech 26 Nov 92 pp 1, 9

[Interview with Federal Prime Minister Jan Strasky by Katerina Perknerova; place and date not given: "History Cannot Be Corrected in Every Detail"]

[Text] At the recent Civic Democratic Party congress, Federal Prime Minister Jan Strasky, 52, was elected deputy chairman of the party. That is why I asked him several questions, as a politician this time.

[Perknerova] At the time the Czech National Council discussed the resolution on assuming responsibility for the continuity of state powers on the territory of the Czech Republic, you said that the time was right to declare the sovereignty of the Czech Republic. In your opinion, have developments reached the point when it would be possible for one or both of the republics to secede from the Federation?

[Strasky] Because of the Czech National Council's stance the previous week, developments have in fact reached this stage. However, I would not like to overestimate the Czech National Council's resolution or see anything more than a clear expression of political will behind it. I would like to stress, however, that we are only approaching the situation that prevails in Slovakia. That is why I understand the unease in the Czech National Council, since the council faces a number of tasks that would be illegal before the law on termination of the CSFR is passed. I personally prefer the law on termination of the Federation to be passed in the Federal Assembly, but I also admit the possibilities you have mentioned.

[Perknerova] The opposition is saying that it is insisting on the referendum to give the matter the hallmark of legitimacy, among other things. Why, then, does the Civic Democratic Party reject in principle the plebiscite that would confirm the division?

[Strasky] The Civic Democratic Party is convinced that it has reacted, in the entire post-election period, to the real situation in Slovakia. In this sense, the referendum is seen as superfluous. If the people expressed in this referendum their will to preserve the Federation, political solutions would become very difficult. As one of these solutions, the opposition is suggesting new elections. Elections may be convenient for one party, and less convenient for another. However, I do not believe that elections would bring a partner on to the Slovak political scene that would have a substantially different attitude toward the common federal state than the For a Democratic Slovakia Movement has, or its predecessor—or any other Slovak political entity, for that matter.

[Perknerova] Not even if the early elections were won by, let us say, Weiss' Party of the Democratic Left?

[Strasky] I hate to answer on behalf of Mr. Weiss. His party views the Federation in a very different way from Meciar's For a Democratic Slovakia Movement, but I am not convinced that this party would act in conformity with a functional Federation.

[Perknerova] The Civic Democratic Party will remain, apparently, the major political entity even after the independent Czech state is established. Will it be a united group, or will two wings clash—the pragmatic one, represented by Prime Minister Klaus, and the dissident one, represented by Minister Ruml?

[Strasky] I do not want to talk about wings. Of course, the composition of the Civic Democratic Party reflects the composition of the whole society, and there are people in it who have a more strict attitude toward the former regime. However, I want to stress that the most recent congress clearly indicated that these historical reminiscences are receding into the background, and that the Civic Democratic Party rather wants its policy to be oriented toward the future. This does not mean, however, that the party has changed its attitude toward the past. The fact that the third congress approved the resolution that the Civic Democratic Party would initiate the law on the third wave of resistance [against the communist regime] with no problem whatsoever shows this.

[Perknerova] Are you, in that sense, a supporter of the pragmatic stream?

[Strasky] I do not think that V. Klaus is of different opinion, in that sense. His scale of values is slightly different, and history is not the most important thing on his scale. In a group of people as large as the Civic Democratic Party, we must take into account the opinion of other individuals. This is what the congress has done by adopting its resolution on the third wave of resistance. There is no reason, therefore, for there to be diverging wings in the party.

[Perknerova] You mentioned the Civic Democratic Party's attitude toward the past. Should the Civic Democratic Party concentrate on the problem of so-called dirty money?

[Strasky] I am one of those who are worried about that problem. However, I do not support the opinion that history can be corrected in every minute detail, and justice introduced in it retroactively. Time will solve this problem to a large extent. At the same time, we must search for entrepreneurial ethics and criteria that will change our attitude toward profit and gains—for the present and future. I do not believe that a key will be found with which it will be possible to separate dirty money. People are right when they object to dirty money, since becoming rich due to dirty money acquired in the past causes trauma in our society. However, I do not believe this problem can be exposed in its entirety and corrected according to a general criterion.

[Perknerova] There are, however, moral aspects to this economic problem. How do you view those who after November [1989] discarded their Communist Party

membership cards and are now building their political careers under the auspices of the Civic Democratic Party?

[Strasky] I have a more conciliatory attitude toward this problem. In my opinion, this is not a matter of politics, but of mentality. Some individuals are, to put it simply, active people, which makes them active under any regime. We should distinguish this human activity from the activity that caused damage to others under the former regime — this should be condemned and political consequences drawn therefrom. All parties, including the Civic Democratic Party, should care what kind of people are hiding behind their banners and offices, and what roles they are playing in society.

[Perknerova] From the critical reactions of the general public it ensues that the way Mr. Calfa and Dlouhy, for instance, were building their careers within the Communist Party of Czechoslovakia in the pre-November era and now within the victorious movements is difficult to swallow. Do you think that in such cases qualifications should prevail over moral criteria?

[Strasky] I believe that the fact that someone was building his career before November 1989 should not be a criterion, but the way he did it, should be. If it can be proved that he was doing it to the detriment of someone else, and by propagating something else than he is propagating now, then society should be able to find enough strength to distinguish his moral qualities from expert qualities. Regarding Mr. Dlouhy, I believe that he did not use his communist party membership to build his political career in the Forecasting Institute. Maybe, it will be necessary to look for finer criteria—other than simple membership in the ruling party in the past. Otherwise, our society will not be able to get out of the morass in which it is now.

[Perknerova] Are you condemning, then, for example, general attacks against the management of state enterprise—now shareholders' companies—attacks based only on the fact that they were in the Communist Party of Czechoslovakia, or People's Militia?

[Strasky] This is a completely different case from that of Mr. Dlouhy. People are realizing that managerial circles—having taken part in the management of the company in the past—are at advantage as regards access to information. This is because of their presence in the company in the past. When I participated in privatization projects in the Czech Government, I did not favor the mechanical transfer of property to the management of the company, and I was keen on obtaining other information than that related to their professional qualifications. It is clear that these people will be suspected of having acquired their property through their former contacts and information sources. I do not want to question their qualifications, but if I were to find some general solution, I would recommend them to be interested in other companies than those in which they have been employed.

[Perknerova] After New Year, it is possible to expect a significant economic decline, instability in the social sphere, and disintegration of the tax system. What should the Czech Government—whose member you are supposed to become—start with?

[Strasky] The government of the new state, whether it likes it or not, will have to react to all the problems you have mentioned. No one will be given priority, it seems, since one is linked to another. For example, bankruptcies are linked with the further development of economy, since we—as everyone knows—have no credits for new entrepreneurs. Money is tied up in enterprises that we keep going for social reasons. We will have to solve all these problems in general; we will have no option to select problems to solve.

[Perknerova] Is there no danger that in such a situation someone in the government could embrace the so-called Chilean way, that is, full freedom for enterprise, but restrictions on human rights, and the rights of groups?

[Strasky] I am convinced that the existing coalition does not represent the danger of that kind. If it sometimes appears so, from the citizen's point of view, that is because of an absolute lack of time and the complexity of the tasks. It is not always possible to solve everything peacefully, taking into account all the social aspects—for example the trade union's—as the civic viewpoint would require. This will definitely not become the feature of the administration of the new state, and I would be happy to personally contribute to this, because I believe that all those things are solvable. We must have understanding, be tactful, and find ways of solving problems that would be acceptable to both sides and are sometimes abandoned only because of the urgency of the matter, too many other tasks, or nervousness. It will depend on the working method of the Czech Government, on whether it finds enough strength to stick to all the rules of the game, and on whether it will be able to avoid a situation you have described—to avoid even partial signs of such a situation.

[Perknerova] It seems that this attitude of yours—which may have brought you one of the most important political functions within the Civic Democratic Party—represents a certain counterpoint to the actions of Klaus, who is inclined from time to time to snap at his partners, those from the opposition in particular, and to show, in general, that he is the only one who knows the correct way.

[Strasky] I am of the opinion that the opposition should be treated as representatives of people who are here, who will be here, and who may receive a role in the future, a role that the Civic Democratic Party has now. I embrace the axiom do as you would be done by. Relations between the coalition and the opposition should be established on this general Christian principle, in my opinion. If that is the way it is, then I do not see it as a personal failing of Mr. Klaus, or the Civic Democratic Party, but I see behind it the exceptional situation in

which we are at this moment. Time will judge the role of Mr. Klaus and the scope of the tasks he has assumed and—I have no intention being his advocate—will find an excuse for his occasional behavior, which is perceived today as moralizing, and which will certainly have no place in politics in the future.

Predicts Short Life for Monetary Union

AU3011143192 Prague CTK in English 2240 GMT 26 Nov 92

[Text] Prague, Nov 26 (CTK)— Czechoslovak Premier Jan Strasky expects the Czech-Slovak monetary union to be short-lived, but the customs union might last two years at least.

Addressing a rally at Rychnov nad Kneznou, East Bohemia, Strasky said that by Easter, the Czech State will have its own currency and that if Slovakia conducts in accord with the instinct of self-preservation, the customs union could last two years at least.

Strasky said the Civic Democratic Party (ODS) will strive for the Czech state to take over the Czechoslovak flag without any change.

Slovakia is much afraid that we might draw advantages from the use of this symbol. But after January 1, 1993, the flag will be free and any state could appropriate it, Strasky said.

Parts of Screening Law Declared Unconstitutional

AU3011145092 Prague CTK in English 1043 GMT 26 Nov 92

[Text] Prague, Nov 26 (CTK)— Czechoslovakia's Constitutional Court based in Brno, South Moravia, declared some parts of the Czechoslovak screening law as unconstitutional at a public session today. The court made the ruling on November 11, but said it would declare it officially November 26.

The court's ruling was requested by a group of 99 deputies to the federal parliament who said the law runs counter to the Czechoslovak Constitution and international agreements concerning human rights and freedoms, signed by Czechoslovakia.

The screening law, passed by the Czechoslovak parliament October 4, 1991, bars former Communist Party officials, People's Militia members, and Secret Police (StB) agents and collaborators from high political and economic posts until 1996.

According to the president of the Constitutional Court, Ernest Valko, the ruling of the Constitutional Court that some parts of the screening law are unconstitutional does not cancel the law as such, but only states that some of its provisions are not in keeping with international documents and the Czechoslovak Constitution.

Valko told the Slovak news agency TA SR that the ruling concerns Article 2, Paragraph 1 c), which speaks of conscious collaboration with the StB and Paragraph 2, which defines conscious collaboration with the StB. These provisions will cease to be effective on the day the Constitutional Court's ruling appears in the Digest of Laws.

The fate of the screening law after January 1, 1993 when Czechoslovakia splits into two independent states, will be up to the deputies of the Czech and Slovak parliaments.

Under the Slovak Constitution, Slovakia's legislation will take over all federal laws as long as they do not contravene the Constitution.

The Slovak parliament Petitions and Legal Protection Committee today approved a proposal of a group of deputies for the Slovak parliament to issue a law, which would cancel the screening law.

According to Valko, the ruling abolishes an independent commission at the Federal Interior Ministry, which dealt with appeals of citizens whose names were found in StB files ranked as conscious collaborators.

The court rejected other parts of the request of the 99 federal parliamentarians who wanted the court to rule that the whole screening law is unconstitutional.

Petr Uhl, representing the group of present and former deputies, told journalists he considers the Constitutional Court's ruling to be a political decision conforming to the present situation, to the splitting of the state and to the insecurity of the judges of the Constitutional Court which is ceasing to exist.

Uhl said he is dissatisfied with the ruling, though he welcomes the fact that people will no longer be screened for possible past links the StB as conscious collaborators. The new shape of the law is somewhat better than the existing one, Uhl said.

SNS Sees Political Program as Fulfilled

AU3011142792 Prague CTK in English 1920 GMT 26 Nov 92

[Text] Bratislava, Nov 26 (CTK)— With the Constitutional Law on Ending the Czechoslovak Federation adopted on Wednesday [25 November], the main point of the Slovak National Party's (SNS) political program has been fulfilled, SNS Chairman Ludovit Cernak told a press conference in Bratislava today. This is why the SNS is intensively working on its new program, he added.

Formed in December 1989, the SNS has been striving for Slovakia's state independence. The new program would provide support for medium business and ensure social securities for all Slovak residents, Cernak said. SNS Deputy Chairman Anton Hrnko characterized the envisaged SNS's political orientation as that on the right of the center but not far. Neither the envisaged foreign political orientation of the SNS was specified.

According to Hrnko the SNS main political task rests in providing for independent Slovakia's political and security stability in case the Slovak economy collapses.

It is not clear yet to what extent the SNS will participate in the executive power in the Slovak Republic, Cernak said. He pointed out that the SNS has no share of power. It depends on whether the leading Slovak political party, the Movement For a Democratic Slovakia (HZDS) passes some posts in the Slovak Government to the SNS, Cernak stated.

The SNS new political program should be adopted at the forthcoming SNS session in March.

Finance Minister Sees First Signs of Recovery

AU3011143492 Prague CTK in English 2144 GMT 26 Nov 92

[Text] Prague Nov 26 (CTK)— Czech Finance Minister Ivan Kocarnik today said that data on the gross home product indicate that the Czech Republic has overcome the bottom of economic decline and is scoring first signs of slight revival.

Speaking with journalists after a meeting of the tripartite council, Kocarnik, who is its chairman, said that the Czech Government sees this year's economic development as successful. The rate of inflation has been 11-12 percent on December 1991, the best figure for all post-communist countries.

The tripartite council consists of representatives of the government, employers and trade unions. Its goal is to maintain social peace in the period of transition from central-command economy to the market system.

Next year, the government will strive for the economic growth to be two to four percent, and for the inflation rate not to surpass 17 percent. This will be greatly influenced by the value-added tax (to be introduced January 1, 1993—ed.), which will raise prices by six percent, Kocarnik said.

He expects the rate of unemployment to be five percent in the first half of 1993, and 10 percent in the latter half of next year.

Though the Czech budget will face dangers stemming from the division of Czechoslovakia and the introduction of a new taxation system, Kocarnik said the draft budget is balanced. The fact that taxes imposed on businesses will be lower will act against inflation, he said.

On behalf of employers, Rudolf Baranek supported the draft budget. But he criticized the current process of privatization. He said that it is too slow which allows the property of state enterprises to be stolen away.

Difficulties Facing Future Czech Army Viewed

AU0112093492 Prague MLADA FRONTA DNES in Czech 24 Nov 92 p 6

[Article by Ivan Jemelka: "The Army Will Be a Problem for the Czech State"]

[Text] Following the recent meeting of Polish, Hungarian, and CSFR Army Chiefs of Staff in Merin [Czechoslovakia], Polish General Tadeusz Wilecki said that Poland and the Czechoslovak Federation should utilize their arms industry to refurbish the arsenal of the states of the Visegrad group. General Karel Pezl added that in this manner the three or four armies would gradually attain the technical level of NATO.

This project is based on the fact that Poland, the CSFR, and Hungary do not have the money to buy arms from West Europe. Furthermore, the Visegrad Three cannot depend on the former republics of the Soviet Union for the maintenance and modernization of their military equipment. At the same time, it is the goal of each of the countries to attain a level of military technology that would facilitate their membership of NATO, but the only way to achieve this is by utilizing their own economic resources.

Nevertheless, Josef Fucik, section head at the Federal Ministry of the Economy, said that for the Czech Republic this solution is out of the question. "In my opinion, the arms industry practically no longer exists in Czechoslovakia today. It is in ruins, and the same can be said about research and development. The revival of the industry would cost a tremendous amount of money," Fucik asserted.

The Czech draft foreign policy paper actually includes some elements that do not contradict Fucik's claim. It says that the Czech Republic intends to proceed with cooperation within the framework of the Visegrad group as long as it does not jeopardize the interests of the Czech state. This applies, for example, to disarmament and the conversion of the arms industry. Hence, the intention of the Czech Government in relation to Poland is the destruction of arms rather than their joint development and production.

"The threat of the collapse of the Czech armaments base is real. We spoke about it with Czech National Council deputies. A legislative form must be found before the end of the year that would prevent the disintegration of the arms industry in the Czech Republic," Petr Luzny, who was assigned the task of producing a draft policy on the Czech Army, said. Moreover, he observed that if highly qualified workers leave the industry, its revival would take decades. According to him, however, equipping the Czech Army exclusively from domestic sources is being considered. "So far, we have not discussed cooperation with Poland," he said. He admitted, however, that cooperation with Slovakia will be necessary.

Colonel Petr Tax from the Federal Ministry Defense Institute of Strategic Studies also believes that the Czech Republic must rely solely on domestically produced arms. According to him, the Czech Army can expect at best only imports of special electronics.

Constitutional officials and military experts agree that the Czech Republic must have its own army. It seems, however, that nobody is able to say at this time what kind of army is it supposed to be, who will arm it, and how the arms will be paid for. Therefore, the question of the future Armed Forces of the Czech Republic has been put aside as being of lesser importance. Unfortunately, this way it is slowly and imperceptibly becoming a serious problem for the emerging Czech state.

More Czechs Than Slovaks Want To Divide Federation

AU3011143892 Prague CTK in English 1411 GMT 26 Nov 92

[Text] Prague, Nov 26 (CTK)— People living in Bohemia are more inclined than those in either Slovakia or Moravia to be convinced that it is necessary to divide the Czechoslovak Federation, according to a poll conducted November 4-9 by the Institute for Public Opinion Research. The institute polled 645 respondents in the Czech Republic and 665 in the Slovak Republic.

Fifty percent of the respondents from the Czech Republic consider the division of the federation to be necessary, compared to 40 percent in the Slovak Republic. Some 43 percent of those polled in the Czech Republic and 49 percent in the Slovak Republic do not believe that the division is necessary. Seven percent of the respondents in the Czech Republic and 11 percent of those in the Slovak Republic say that they do not know.

In the Czech Republic, residents of cities of over 100,000 inhabitants, and especially residents of Prague, are more likely than others to consider the division of the federation to be necessary. Among them, people with a high school or university education predominate. At 57 percent, people under the age of 29 are more likely to hold this opinion than those over 60 (36 percent). In Slovakia, those with high school or university education are less likely to think that the division is necessary.

In the case that Czechoslovak citizens would be able to choose between the division of the federation and the creation of a union of the two republics, as proposed by the opposition, 57 percent of the Czech respondents and 29 percent of the Slovak respondents would choose division. Seventeen percent of those polled in the Czech Republic and 39 percent of those in the Slovak Republic would be in favor of the union.

In both republics, the most respondents—41 percent in the Czech Republic and 49 percent in the Slovak Republic—answered that the best method of terminating the Federation is by a referendum.

Citizens Want President Elected by Popular Vote

LD3011213692 Prague CTK in English 2108 GMT 30 Nov 92

[Text] Prague, Nov 30 (CTK)—A petition demanding that the president of the Czech Republic be elected by a popular vote has been signed by 20,500 citizens to date, the Petition Committee said in a statement given today to CTK by its spokesman Jan Simsa.

The Petition Committee for a Direct Presidential Election was established in Prague November 11, in opposition to the present government draft of the Czech Constitution envisaging the election of the president by Czech parliament deputies. The advocates of a direct presidential election claim that the president should be responsible directly to the citizens.

We are only trying to give citizens the opportunity to participate actively in the birth of the new (Czech) state, Simsa told CTK November 12, one day after the petition drive was launched.

Members of the Petition Committee include former federal foreign minister Jiri Dienstbier, former Czech parliament chairwoman Dagmar Buresova, Czech and Slovak Trade Union Confederation President Richard Falbr, singer Marta Kubisova, ex-dissident priest Vaclav Maly and Anna Masarykova, the granddaughter of Czechoslovakia's first president, Tomas Garrigue Masaryk.

The text of the petition reads: I demand that the president of the republic be elected by popular vote. The Czech Republic will become an independent state on January 1 when the Czechoslovak Federation divides in two.

Jeszenszky: War More Likely Than Peace in Balkans

AU3011145492 Budapest MTI in English 1715 GMT 25 Nov 92

[Text] Budapest, 25 Nov (MTI)—The Yugoslav successor states opposing Serbia, and neighbouring countries propose deploying international troops in some zones of Macedonia and Serbia, concluded a joint statement approved by the foreign ministers of the region in Istanbul on Wednesday [25 November].

The meeting was attended by the foreign ministers of Croatia, Slovenia, Albania, Macedonia, Austria, Hungary and Turkey. Bulgaria, Romania, Bosnia and Italy were represented by lower-ranking politicians. Of the countries in the region, Yugoslavia and Greece stayed away from the conference.

In his contribution, Hungarian Foreign Minister Geza Jeszenszky pointed out that Hungary considered it necessary for foreign countries to support the economic recovery of the Yugoslav successor states.

"Hungary considers it desirable to conclude a comprehensive agreement for a ban on arms, deliveries to the southern Slav states. In a move to settle ethnic conflicts, various forms of autonomy should be considered that would provide the greatest chance for reducing differences in views," he said.

The Hungarian foreign minister supported the idea of convening a ministerial conference in London to decide on concrete steps to promote a settlement.

"The London conference may offer the last chance of a negotiated settlement," Jeszenszky said. In his view, however, there was a greater chance of an extensive war in the Balkans than a peaceful settlement, which was in part due to the insufficiently resolute action of Western states.

Goncz, Lantos Agree Extremism Should Be Curbed

LD2611154592 Budapest MTI in English 1317 GMT 26 Nov 92

[Text] Budapest, November 26 (MTI)—Hungarian President Arpad Goncz on Thursday [26 November] met with U.S. Congressman Tom Lantos, who is paying an official visit to Hungary. Surveying a number of international issues, they agreed that controlling extremist views and attitudes, while promoting moderate and rational forces was a common interest.

The president said that settling the nationality issue, protecting minorities and enforcing their rights were important for the settlement of the Yugoslav conflict and, in the broader sense, to the peaceful development of the Eastern Europe region.

Goncz asked that the U.S. Administration, both in the transition period and after, pay attention to East-Central Europe and help settle the Yugoslav conflict.

Lantos shared the view that the U.S. Administration should pursue a more active foreign policy in Central and Eastern Europe. As an example of this, Lantos visited Slovakia recently and is to visit Romania and Serbia.

State Secretary on Bos Issue Talks With Slovakia

AU0112132392 Budapest MTI in English 1901 GMT 28 Nov 92

[Text] Budapest, 28 November (MTI)—Hungary continues to regard the diversion of the Danube, its border river, as a violation of international law, and demands that the Gabcikovo hydroelectric power plant and the related facilities be dismantled, Janos Martonyi, Hungarian state secretary of foreign affairs, said in Budapest airport on Saturday [28 November]. Hungary is not in a position to enforce its will, it can only apply political and legal means and put its confidence in the International Court of Justice, he added.

The state secretary returned from Brussels where he attended a trilateral consultation with Czechoslovak and EC delegates on the Gabcikovo project. In Brussels, Slovakia indicated that after January 1, 1993, as an independent successor state to the Czech and Slovak Federal Republic, it would be prepared to subject itself to the decision of The Hague-based court, Martonyi said.

In a protocol signed on Friday evening, the Hungarian and Czechoslovak sides agreed on resuming expert talks aimed at formulating a joint petition to The Hague Court, and adopting common principles for the transition period. (This period will last until the court passes a decision.) The conclusions of the expert talks will be surveyed in Brussels in two weeks.

In the transition period, the Czechoslovak side seeks to divert 50 percent of the water of the river to the power plant, Martonyi said. Hungary, however, insists on the London agreement reached late October in which Slovakia pledged to let 95 percent of the water to Hungarian territory. At present, the power plant is operating and only 10 percent of water is let to the original bed of the river at Rajka, the state secretary said.

Jeszenszky Views Current Internal, External Issues

LD2911170592

[Editorial report] Budapest Kossuth Radio Network in Hungarian carries in its "Sunday Times" program at 0600 GMT on 29 November a 20-minute phone-in and studio discussion with Hungarian Foreign Minister Geza Jeszenszky, conducted by an unidentified announcer. At the start Jeszenszky talks about what it has meant for

him to occupy his prestigious position during the turbulent historic changes which have swept East and Central Europe in the past few years.

In reply to the announcer's question on what happened at a regional ambassadorial meeting which took place in the Hungarian Foreign Ministry, Jeszenszky says: "The leaders of the diplomatic missions operating in our region discussed what to do. In my closing speech there I said that at the beginning of the post-communist era, the reinstated or newly born sovereign nations, which are grappling with enormous opportunities and tasks, were tempted to do some things which Istvan Bibo [minister of state in Imre Nagy's government] called typical small-state products in his classic essay; i.e. petty opposition and impatient nationalism. Here, in place of the disintegrating empires and federations that proved to be unviable, branch imperialism has raised its head. They see, look for and fabricate enemies among their neighbors and the minorities living in their midst. The Hungarian people, fortunately, seem immune to this virus, but their patience and resilience are tested not only by the great burdens of the transformation and repair of the economy and society, but also by the serious provocations concerning us, like for example the diversion of the Danube. Here, not only myself but also my colleagues in Hungarian diplomacy are participants in a political card game, what is more, I could say that the country and neighboring countries are also included in it. This is a very tricky game and I cannot promise easy success, but I think that most of all, it is up to us. Success depends on our patience and sobriety and the work of our diplomats."

In reply to questions about the Bos-Nagymaros water barrage, Jeszenszky says that in the argument over this project Hungary has to strive not for victory but for results, disregarding the aspect of prestige. Settlement is not only desirable from a political point of view but is also in the interest of the population of the Szigetkoz, both Hungarians and Slovaks, and the aim is to preserve the regions's environment and ensure that enough water should flow in the old Danube, as prescribed by the London agreement.

Touching on the present internal situation of the Hungarian Democratic Forum, Jeszenszky denies that the board meetings are stormy. He confirms that the committee set up for the investigation and solution of internal party problems is to start work next week.

The discussion touches on various foreign political events of recent weeks. Asked about the Romanian gasoline levy, Jeszenszky says that there can be no question of any reciprocal measure because instead of revenge, ways of solution have to be sought.

Central Bank Chairman Views Exchange Rate Policy

AU2411194992 Budapest MAGYAR HIRLAP in Hungarian 21 Nov 92 p 10

[Interview with Akos Peter Bod, chairman of the Hungarian National Bank, by Eva Czelnai; place and date not given: "Akos Peter Bod: We Must Create Balance in the Exchange Rate Policy—To What Level Will the Forint's Value Go Up?"]

[Text] The government recently discussed the 1993 exchange rate policy. An important element of this is that, similar to 1992, forint devaluations have to be made in traceable and relatively frequent steps. It must be considered that the forint is gaining value (devaluations do not follow the difference between domestic and foreign inflation), and this makes the already slowing exports difficult. However, helping the exports cannot be the only goal, this has to be balanced with the curbing of inflation. All this is made difficult by the fact that no one really knows to what extent the forint is gaining value. We interviewed Akos Peter Bod on this issue.

[Czelnai] With what kind of exchange rate policy does the Central Bank wish to promote economic growth?

[Bod] A week ago, the government discussed a report, and according to this, the government expects an exchange rate policy that keeps the various economic objectives in balance, namely the fight against inflation, and the often clashing interests of exporters, importers, and price stability. The report and the proposals connected to it express the joint views of the Hungarian National Bank and the Finance Ministry because we have a joint responsibility for the exchange rate policy. The conclusion—which I very much approve of—was that we have to follow a predictable exchange rate policy. This excludes drastic devaluations and revaluations. The first, through inflation, would place a rather big burden on the broader population, and the latter would burden the exporters.

[Czelnai] Would the less intensive exports justify more frequent forint devaluations?

[Bod] An exporter would obviously say that. However, increasing the exports is not our only objective. On the other hand, while we only devalued twice in 1991, we did a third one this year. This way, the expectations to devalue do not accumulate. We devalue in a determined and calculable, but essentially predictable way.

[Czelnai] How would you determine the forint's increased value?

[Bod] If I look at the consumer prices, which have increased rather rapidly as compared to abroad, then the Central Bank has always been in arrears with devaluation. We have devalued about 5-6 percent this year. This is far behind the difference in inflations. However, looking at the producer prices—and I also have to do this—in the light of comparing the, let us say, 10 percent

domestic price increase with the foreign prices, the forint has not gained so much in value for the producers. Unfortunately, as long as the consumer and the producer prices are so far apart from each other—because taxes and other tax-like income elements are built into them in the meantime—we will continue to have fruitless debates on the increased value of the forint and what we should do about it.

[Czelnai] If it is so difficult to assess the processes, then how is it possible to achieve the required exchange rate?

[Bod] We agreed to look at the statistics and the economic processes in every quarter and consult on the exchange rate policy to be followed.

[Czelnai] Has the increase in the forint's value been bigger or smaller in 1992 than in 1991?

[Bod] There are certain calculations that link this problem to the so-called real-effective exchange rate. However, whether this figure was five or 15 in 1991 depends on which index is used as a basis. It is certain that the forint continued to gain some value this year, but not as fast as in 1991. In my view, as the inflation is decreasing, the forint may again gain some value in 1993 rather than lose value. However, the difference between inflation justified by the processes and the real devaluation process will further decrease.

Environmental Waste at Former Soviet Airport Noted

AU2511150392 Budapest MAGYAR HIRLAP in Hungarian 24 Nov 92 Supplement p II

[Report by "O.Z": "Kerosene Produced in Kunmadaras"]

[Excerpts] Following the withdrawal of the Soviet troops temporarily stationed in Hungary, Hungarian officials began to assess the damage incurred during this temporary deployment of Soviet troops in Hungary. In the course of this assessment, the experts examined 171 locations and assessed the environmental damage at 60 billion forints. More than 10 percent of this huge sum is concentrated in one place, Kunmadaras.

The construction of Kunmadaras Airport was begun in 1942 by the Germans, and a year later the airport was in full operation. The Soviets then developed this military base to such an extent that in the middle of the 1980's two air wings and connected service personnel were defending the interests of the Warsaw Pact here. [passage omitted]

Kunmadaras Airport is one of the largest military airports in Central Europe, and large transport planes can also land safely on its 2.5-kilometer runway. The landing strip was renewed in 1986, and the reconstruction technology equals that at Ferihegy-2 Airport. The fighter planes and fighter bombers were once hidden in 72 bomb-proof hangars. The security of these hangars is shown by the fact that each entrance door was made of reinforced concrete weighing 117 tonnes....

However, the main reason for focusing on this airport is the environmental damage there. [passage omitted] According to expert investigations, 240 cubic meters of floating hydrocarbons had to be secured at Kunmadaras. Experts also found 1,100 cubic meters of hard hydrocarbons in nine places. Dangerous waste was found in six places, with pieces of music records, kitchen waste, and even a bomb. [passage omitted]

Defense Official Views Soviet Troop Withdrawal

AU2511125192 Budapest NEPSZAVA in Hungarian 21 Nov 92 p 5

[Interview with Lieutenant General Antal Annus, administrative state secretary at the Defense Ministry, by Irene Szabo; place and date not given: "According to the Lt. General, This Is Not a Defeat—The 'Zero Solution' Has Been Resolved—It Is Only Possible To Daydream About the $800 Million"]

[Text] According to information received by NEPSZAVA, on the day Russian President Boris Yeltsin arrived in Hungary, Antal Annus informed the parliamentary Foreign Affairs and Defense Committees in a closed session that the so-called zero solution of the economic negotiations linked to the withdrawal of Soviet troops was in danger. Is it true that they have defeated us? Is it true that this "zero" costs us a lot? To what extent can we take the promise—signed by both parties—seriously, which stated that, to balance our trade surplus, Russia will deliver military equipment and spare parts to the Hungarian Army to the value of $800 million? Does this fact change the situation of the defense budget? We interviewed Antall Annus on these issues, among other things.

[Szabo] Is it true that, before the arrival of Yeltsin, it was realized again that the sides continue to have different views on the issues of the economic and financial agreement connected with the Soviet troop withdrawals? Meaning, that there will not be a zero solution although, in December 1991 in Moscow, [Hungarian Prime Minister] Jozsef Antall and Yeltsin decided in principle that we both give up our demands.

[Annus] According to the Russian perception, all along in 1992, the zero solution meant that we pay them. There has not been an answer to the letter sent to Moscow by Antall on 14 July 1992, which contained the draft agreement. However, we received a letter from Yeltsin himself on 7 November, three days before his arrival in Hungary, which spoke about the difficulties resulting from the troop withdrawals, and formed the claim that it would be good if we built homes free of charge for their officers who returned home. Therefore, it was not only the behavior of the Russian expert leaders that indicated that the Antall-Yeltsin agreement was being questioned, but throughout the delegation's two-day stay it seemed that we would not be able to agree. They came up with

the most weird figures in dollars and in numbers of apartments. This is why we considered it necessary to inform the foreign affairs and defense committees. The situation is well depicted by the fact that the talks began on the evening of Tuesday and lasted until three in the morning of Wednesday [10 and 11 November], but we still stood up from the table saying that the Russian demand is unacceptable for the Hungarian side.

[Szabo] Is it true that we have been defeated?

[Annus] I am convinced that we have not. We concluded the matter in a decent way because Yeltsin and Antall finally signed the draft agreement that had been sent to Yeltsin by Antall in July. In other words, no one has or can have any demands in connection with accounts related to troop withdrawals. It is finished. The Hungarian side has foregone its demands to do with environmental damage and the Russian side acknowledged that we would not pay anything for the structures that had been built from the money of the Soviet troops. We made two gestures. One is that we donate drugs to the value of $10 million to the Russian Army. The other is a possibility that cannot be seen as a promise. We entered it in separate minutes that we would examine whether, considering the country's ability, Hungary would be able to give assistance in the construction of apartments for the Russian officers. When assessing the issue, I must also add that this is a political zero solution. However, let us remember that when we began the negotiations in 1990, there were only Soviet demands. We stopped this one-sidedness in the meantime. Therefore, it is positive, I could call it a success that, compared to two years ago—we have to pay and immediately—the position has turned into an acceptable and correct solution.

[Szabo] How did you manage to convince the Russians?

[Annus] Perhaps by saying that we would not mention the damages caused in 1956 and we did not query the illegal nature of stationing Soviet troops in Hungary in 1956 and 1957.

[Szabo] In your view, is it a success that Russia promised to deliver military equipment and spare parts to the value of $800 million to reduce our trade surplus?

[Annus] This $800 million is only a possibility now and a number of factors make it uncertain. There are a thousand unclear issues here, for example, the Russian military industry will obviously only deliver anything if the Russian government pays for it. It is not guaranteed, either, that the offer will match our needs. It is a matter for the future to see what they can or want to give; we would very much like to begin coordination talks as soon as possible.

[Szabo] Can the Army only build castles in the sky from the $800 million at the moment?

[Annus] I would say that the key is not in our hands.

[Szabo] Do you think that the 1993 budget positions can be made worse by this huge amount that people see as granted, and which, according to experts, is enough for the purchase of 40 MiG-29 airplanes?

[Annus] First of all, only 20 airplanes if we are talking about completely equipped aircraft, but this is a different matter. The expert leadership has different ideas. As for the Army's budget, this $800 million is not money but the value of equipment. At the same time, even at best, it can only be counted on in a long-term development concept. Even then, only in a form that can contribute to the replacement of our equipment, to supplementing our spare parts, and to their modernization in a certain sense. Due to its character, it does not mean extra armament or the increase of the size of the Army, and all this is impossible to handle in the budget at the moment. As a matter of fact, we will be discussing the details of the development target program with the affected ministries next week.

[Szabo] If the $800 million exists and does not exist all at the same time, then is it still uncertain as to how much money will be enough because of the budget debate? In addition to this, we know that (Hungarian Democratic Forum, MDF) Deputy Pal Becker proposed a 4 billion forint cut from the current amount, and MDF Deputy Gabor Perjes only indicated verbally that an additional 9 billion forints would be justified to keep the Army functioning next year.

[Annus] We were considering more than 80 billion forints in order to slow down the processes of deterioration, and not to try to train soldiers througn a pretense measure such as, in my view, the numerical increase in the training of officers. In our view, the pitiful situation of conscripts in the barracks is untenable, and all our efforts will be wasted if we cannot make the preparation and training more effective. We were unable to convince the Finance Ministry about these issues. The 1993 budget of the Defense Ministry does not even cover inflation. It is enough for the pure existence of the Army. In other words, we have to ensure somehow that the Army can function in 1993, too. My personal view is that it would be more sensible to establish a small but modern army, but the conditions are not given for this, either. My view is that we should not get to the point where the existence of the Army loses its meaning altogether.

[Szabo] In addition to financial problems, the lack of new basic legal documents is also a problem for you and it increases the existing uncertainty. At the same time, the layman can see that considerable changes are taking place in the Army although the defense concept and the defense law has not been passed by parliament.

[Annus] Hungary does not have a law on what the Army should be like as a living and mobile organization. I admit that it would have been good to begin all changes based on fundamental and accepted legal documents, but the delay is not our fault. Other than this, we have not committed any illegal acts because we did the internal regrouping and other measures on the basis of a government decision. Therefore, the 1991 government

decision is our legal basis. As a matter of fact, it is our view, and this is also justified by the size of the responsibility, that Parliament should first approve everything that is basic and important in connection with the Army. However, we cannot speed up their work.

Goncz Letter to Antall on Radio Chief Nominees

LD2811093792 Budapest Kossuth Radio Network in Hungarian 1100 GMT 27 Nov 92

[Text] Arpad Goncz, along with the prime minister, is ready to select candidates considered mutally acceptable and suitable for the posts of president and vice president of the radio and television. This is contained in the letter the president of the republic sent to Jozsef Antall, which the presidential press office has conveyed to the radio.

In the letter, the head of state refers to the fact that he and Jozsef Antall have coordinated partially regarding certain nominees. He emphasized that if two-thirds of the members of the Cultural Committee support the nominees, he is prepared to appoint them even before the Media Law is adopted. Arpad Goncz expresses his regret over the break in the coordinating talks which had lasted several days. In his opinion, for the operational capacity of the radio and television not to be interrupted, a smooth changeover of leaders is needed—a condition needed for the handover of work from one responsible president to another. Given the lack of organizational and operational regulations that can be used for the current situation, a satisfactory intermediate measure cannot be legally guaranteed.

The possibilities you proposed, such as for example a restricted operational authority for the vice president substituting for the president, does not have the legal background, and this could become an obstacle in the later establishment of responsibility, Arpad Goencz writes in his letter to Jozsef Antall.

Media Negotiations Unsuccessful

LD2811103692 Budapest Kossuth Radio Network in Hungarian 1400 GMT 27 Nov 92

[Excerpts] No political agreement or real result can be expected at the media negotations between the president of the republic and the head of government. This transpires from the communique issued by the Prime Minister's Office, which states that the discussions finished today without success. The communique denies yesterday's statement by the president's spokesman, according to which the two sides' stances came closer to each other. [passage omitted]

The president, said in his letter [as heard] that there is no legal background to the head of government's proposal that the vice president, substituting for the president, should have limited operational authority. However, the communique of the Prime Minister's Office says that the government resolution of 1974, which then commissioned the government with supervision over the media, gives the legal possibility for this. According to the conditions set by the Constitutional Court the prime minister continues to wait for the president's response to his proposal initiating the removal of the leaders of the radio and television and the appointment of a television vice president.

Democratic Forum Organizations Hold Meeting

AU0112132192 Budapest MTI in English 2044 GMT 29 Nov 92

[Text] Budapest, 29 November (MTI)—The national rally of the Hungarian Democratic Forum (MDF), attended by the leaders of about 500 party organizations, on Sunday [29 November] approved a political statement, outlining the party's major tasks in the economy and doing justice. In the rally, all participants took a stand for party unity, and rejected all extremes and extremist debates, Deputy President and Press Chief Laszlo Medgyasszay said.

In his 90-minute address, Prime Minister and MDF Chairman Jozsef Antall asked reason and responsibility from all. He stressed the need to preserve the MDF as a party of many colors. As he put it, it would be a tragedy if any side homogenized the MDF. The debates within the party can be settled with plain speech, he said. Concerning the coalition partners, Antall termed the consolidation of the Independent Smallholders Party as important and the strengthening of the Christian Democratic People's Party as desirable.

Antall Reaffirms Role of Liberalism in MDF

93CH0143A Budapest UJ MAGYARORSZAG in Hungarian 16 Nov 92 pp 1, 4

[Report on Hungarian Prime Minister Jozsef Antall's speech to the Hungarian Democratic Forum's Liberal Forum in Budapest on 14 November 1992, by Laszlo Jasz: "The Honor of National Liberalism; A Party That Pulls Apart Can Never Win"]

[Text] The MDF [Hungarian Democratic Forum] Liberal Forum Foundation announced its second great event in a heated political atmosphere and amid equally heated conditions within the party. What they organized on 14 November was not a grand rally, but a conference on sociology and political theory, to examine in detail the system change. The nation, the state, the system change, or, one could say, the consequences of freedom were the topics, and the great interest expressed in this conference surprised even its organizers.

Janos Turbek boarded the train in Kaposvar on Saturday at dawn to be present at the MDF Liberal Forum Foundation conference in Budapest.

"I am interested in what they have to say," he said. "The Kaposvar organization is not divided into factions. Two years ago, when the populist-national group established itself within the MDF, we decided not to form such a

group until a liberal group came about. Later on we decided to serve as a center that unites us all."

Many people arrived with a similar open mind to the Hungarian Economic Chamber's auditorium, which proved to be too small.

There were not enough folding chairs to seat everyone when Prime Minister Jozsef Antall, the chairman of the MDF, began his presentation. As if joining the Kaposvar unit of his party, he repeated his already-declared personal view about linking the ideals of national liberalism, Christian democracy, and populist nationalism.

"I am the beholder of these three trends of thought, and I am not willing to divide myself in this regard. The principle of national liberalism has been spelled out in the MDF bylaws. Anyone who does not respect the values of national liberalism, anyone who does not regard national liberalism as part of the MDF's ideals, is not worthy of being a member of the MDF.

"I am trying to define what national liberalism means to us, to the members of the MDF and to the MDF's leading officials, and in what respects we are different from other liberals, or people who call themselves liberals," Antall said in his further remarks. "What is national liberalism? Constitutional statehood, and espousing and professing a market economy would be inconceivable if national independence and national self-determination were not organic parts of these concepts. In countries where liberals have failed to address, have failed to speak to the issue of national self-determination, they have done so not because national self-determination has not been a natural part of liberalism, but because there have been no problems with national self-determination. Who needs to talk about national independence in England? For us—people who have been occupied by forces coming sometimes from the West, and at other times from the East—the idea of national independence has become a definitive experience that determines everything. This situation exists not only in Hungary, but also in the neighboring countries."

At the same time, Antall stressed:

"No national ideal can be useful to Hungary as long as it intends to distinguish us from European democracies, or from any parliamentary democracy. In the long term, all those countries in the East-Central European region which do not adapt themselves to international manifestations of democracy are bound to fail.

"Those who profess national liberalism should not stand on the sidelines of the MDF, pursuing their choice of struggling like Don Quixote. They should move to the center! I do not dispute the purity of their thought and the pride of their courage, but political masochism leads to failure in practical politics. One need not listen to those who sometimes do not know what they are talking about when mentioning a Bolshevik and a Menshevik wing within the MDF. We must transcend suspicions and false ideals. I believe that unity within the MDF must not be achieved in an unprincipled manner, by sweeping things under the rug, but by adhering to fundamental political principles and by debating within the organization. People cast their votes only for united parties! A spiteful political party in which people say only bad things about each other, a political party that pulls apart, can never win."

Later, he addressed some practical domestic issues:

"Responding to questions at a London press conference I said that I did not identify myself with certain parts of the given study. But I also expressed sincere joy over the fact that while racist demonstrations will be held, buildings will crumble, and people will be beaten from Los Angeles to the outskirts of London, and from Rostock to Rome, we will only be arguing about essays or pamphlets.

"I am indeed interested to know in whose interest it is in Hungary today to proclaim right-wing ideals, to introduce right-wing thoughts into politics, and to make statements that do not correspond with democratic principles. But we would make the same mistake if we, ourselves, magnified these statements, if we attributed too much to these political principles."

Among other things, the prime minister made it clear that the ruling coalition stands on the foundation of a democratic, disciplined legal order. Contrary to rumors, there is no truth to allegations according to which the government is trying to postpone the 1994 elections, or to claims that the government intends to develop a police state. This county must remain a solid country.

At the conference entitled "Nation, State, System Change," presentations were made by sociologists, historians, economists, engineers, politicians, and diplomats. These topics were approached from very many angles. It would be impossible to convey the sense of this variety; therefore, we should quote only a few statements related to problems concerning the nation.

Ferenc Kulin, one of the founders of the Liberal Forum:

"Throughout the world, the concepts of national autonomy and self-determination are becoming rearranged—unequivocally restricted—partly because of the radical rearrangement of the power held by the Great Powers, and partly because of the technological revolution that is taking place in response to the threat of an ecological catastrophe."

Gyula Kurucz, director of the Hungarian House in Berlin:

"Almost everything that is positive or negative exists in the spiritual legacy of every nation. Europe has now entered the unified era of having to qualify itself. And no one should believe that the West is ahead of us. Several decades of prosperity have created at least as many voids in terms of solidarity, self-sacrifice, and individual responsibility, as poverty in the East is now producing greed, narrow-mindedness, and aggressive attitudes."

Historian Gusztav Molnar:

"We must achieve a situation in which no one confuses the liberalism we represent with doctrinaire liberalism, one that is indifferent about communities, and above all, national communities, and which therefore is doomed to failure in the global context. This is why we must critique liberalism on the basis of principles; this is why we must exercise liberal self-criticism."

National Assembly President Gyorgy Szabad recognized the fact that at the end of an eight-hour conference—especially if the length of the meeting is measured by the yardstick used in parliament—he was able to deliver his closing remarks to a sizeable audience. He warned that the salami tactics we have experienced in the past could, at present, appear as a desirable means to be used by others, except that today there is no external force similar to the one that supported such tactics between 1945 and 1948. He cautioned, however, that Hungarian democrats could face the threat of "slicing up themselves." Some critical eyes are watching to see whether the MDF will preserve its unity, or whether an internal rift will occur.

Csurka Denies Claims That He Is Anti-Semitic

AU3011145292 Budapest MTI in English 1614 GMT 25 Nov 92

[Text] Budapest, 25 Nov (MTI)—Istvan Csurka, deputy president of the Hungarian Democratic Forum, sent a statement concerning anti-Semitism, entitled "Some Words on a Single Issue," to the Hungarian News Agency, MTI, on Wednesday [25 November]. "I have learnt with sorrow that many of our Hungarian Jewish compatriots feel offended by the confusion caused by my study and its strongly biased reinterpretation," Csurka's statement reads. The study was published in the August 20, 1992 issue of the weekly MAGYAR FORUM.

"For this reason, I consider it necessary and even unavoidable to emphasize that I regard Matyas Rakosi and his associates, Bela Kun and his associates, and Gyorgy Aczel and his associates as traitors of not only the Hungarian people, but even of Jewry. So does Hungarian Jewry because these people denied and betrayed their Jewish faith and Jewish identity when they became communists, committed murder and demoralized the nation. When they offended against universal Hungarian interests, they did the same against Hungarian Jewish interests incorporated in the former. Just as I cannot consider them and their followers true Hungarians, so I hold it completely natural that Hungarian Jews do not identify themselves with them," Csurka says.

Matyas Rakosi was the Hungarian communist leader between 1945 and 1956, Bela Kun headed the Hungarian communist regime in 1919, and Gyorgy Aczel was the chief ideologue of the Kadar regime.

Csurka goes on to say, "to my compatriots who feel offended, I tell again that I have never had, and will never have, any intention of judging my fellow beings by race and birth. I always judge them by their performance and action. I cannot give up my struggle against the continuous communist demoralization of the nation and the betrayal of universal Hungarian interests which are still making their destroying effects in our circles. In the interest of the efficiency of this struggle, clearsightedness and unambiguity are required because division favours those whom I am fighting against."

"I do not see any united 'international Jewish plot,' but I do see the signs of a plot for a return to communism. Those involved in this plot happen to include Jews without any strong identity, and murderous gunmen in the Balkans. Also in the State of Israel, there are both democratic forces, which I feel my allies, as I wrote after the Israeli elections, and also racist and aggressive forces," runs the statement.

In conclusion, Csurka said that he made this statement because he had spoken about the fate-changing power of love in his contribution to the historic joint-opposition meeting in Monor in 1985, which marked the beginning of a national rebirth in Hungary, and he still maintained what he said at that time. He added, "the power of love is incongruous with honest people feeling discriminated against because of a few words."

Russians To Retaliate If Barracks Attacked Again

LD2811225692 Warsaw PAP in English 2205 GMT 28 Nov 92

[Text] Legnica, Nov 28—The command of the Northern Group of Russian Troops said in a letter to the Legnica mayor it would act according to military regulations after an incident that, according to the Russians, took place in Legnica on November 26.

The letter said about 30 or 40 young Poles had attacked Russian barracks in Legnica's centre last Thursday evening. However, neither press spokesman for the Legnica police headquarters Janusz Stanislawski nor locals noticed any groups of hooligans or traces of the attack on the barracks.

Head of the press office of Russian troops Col. Mikhail Kireyev said the police did not notice groups of hooligans on the spot of the incident as young people had already managed to escape. He thinks the incident was not just a conflict between groups of Polish and Russian youths but "the organized attack on barracks of Russian troops."

Commander in chief of the Northern Group of Russian Troops Gen. Leonid Kovalov said in a letter to the Legnica mayor that if "open and aggressive attacks on (Russian military) facilities recurred, Russian soldiers would be forced to act according to military regulations."

Kireyev explained that should the health and life of Russian soldiers or their families be endangered, the Army would use weapons firing warning shots. Asked whether soldiers planned to also shoot people, Kireyev answered that "the Russian Army is not so weak as to shoot at people."

Fewer Russian Troops Wanted in Kaliningrad

LD2611152492 Warsaw PAP in English 1438 GMT 26 Nov 92

[Text] Warsaw, Nov 26—Defence Minister Janusz Onyszkiewicz said on Thursday [26 November] that "we will be trying to press for the decrease of the Russian presence in the Kaliningrad region." Kaliningrad is the area of Russia which borders Poland to the northeast.

"The recent attack on Premier Suchocka, and now on me, is connected to the internal situation prevailing in Russia," continued Onyszkiewicz.

He was referring to the article published recently in PRAVDA, which criticised Onyszkiewicz for lack of "political tact" after he had told the British GUARDIAN that he considered that the concentration of Russian troops in Kaliningrad significantly exceeded Russia's needs.

"I think that what I said has been slightly misinterpreted," Onyszkiewicz maintained adding that, "we understand the reasons why this concentration exists, however we would like this to be a temporary situation."

Central Europe To Set Up Free Trade Zone

LD3011210792 Warsaw PAP in English 2023 GMT 30 Nov 92

[Text] Warsaw, Nov. 30—The agreement establishing a free-trade zone between Poland, Czecho-Slovakia and Hungary is likely to be signed mid-December, Jerzy Rutkowski, from Poland's Ministry for Foreign Economic Relations, announced on Monday [30 November].

He added that, if the agreement is signed according to schedule, its provisions could come into effect from January 1, although technical considerations could delay this to March 1 at the latest.

Rutkowski noted that signature of the agreement was originally scheduled for November 30, but several points in the agreement with Hungary were still unresolved. "It turned out that there were more problems than we originally thought," he said. "The economies (of the three countries) are competitive against each other, which makes it difficult to extract mutual concessions."

Rutkowski added that each country was seeking in some way to protect its domestic markets—Poland through the use of import tariffs, the other states through non-tariff mechanisms such as licensing agreements or taxes.

Work on the agreement, which began following the signature of a preliminary memorandum of understanding in Warsaw on November 30, 1991, was complicated by the political situation in Czecho-Slovakia.

In the initial stages, the free trade agreement will affect some 25 percent of goods traded in the region, rising to 80-85 percent over the next 4 years. Trade involving textiles and foundry products is likely to be among the last to undergo liberalisation.

Agreement Shows IMF Support for Economic Policy

AU0112110092 Warsaw PAP in English 2002 GMT 24 Nov 92

[Text] Warsaw, Nov. 24—Poland and the International Monetary Fund (IMF) on Tuesday [1 December] agreed on the text of a letter of intent for a standby arrangement, Finance Minister Jerzy Osiatynski and Deputy Director of the IMF European Department Michel Deppler announced during a joint press conference.

The letter embraces the time span of fourteen months (till March, 1994) during which Poland is to receive IMF assistance worth 700 million dollars.

"The IMF supports the Polish government's economic programme. It meets half way the real needs of the country," Deppler said.

The IMF official explained that he was referring to the reduction of the budget deficit to 5 per cent of the 1993 gross national product, a policy aimed at the reduction of inflation to 48 percent this year and 32 percent in 1993, and to the activation of state-owned enterprises, proposed by the government in the "pact on state enterprises."

Minister Osiatynski stressed that "for private capital and international financial institutions, the agreement with the IMF is a certificate of our financial credibility."

Deppler explained that the letter must still be ratified by the IMF's executive board which is expected to take place in January.

The executive criteria determined in the letter of intent will be verified every three months, said Osiatynski adding that they are "realistic." The minister also expressed the opinion that the agreement on the criteria was the most difficult part of the negotiations.

Loans received from the fund under the arrangement may be earmarked for the restructuring of Poland's economy. "The letter of intent includes plans for next year's mass privatization and a number of microeconomic proposals, that is ones dealing with individual enterprises," said Osiatynski.

Minister Osiatynski took the occasion to declare that in case the Sejm (lower house) changes the parameters of the 1993 budget, the government will have to resume negotiations with the IMF, but he added that the government coalition would secure the adoption of the budget. He described the achieved agreement as "the best possible to achieve in the current economic situation of Poland."

The new accord will facilitate a further 20-percent reduction of the Polish debt guaranteed by Paris Club governments. It will also allow Poland to resume negotiations with the London Club of Western commercial banks on the reduction of a 12-billion-dollar debt.

The agreement will also pave the way for Poland's negotiations on using the stabilization fund, amounting to 1 billion dollars, for the financial restructuring of banks and financial institutions.

The IMF froze cooperation with Warsaw last year when Poland exceeded limits on inflation and budget deficit as well as failed to amend the budget law.

Walesa Meets Army Newspaper Staffers

AU3011174992 Warsaw POLSKA ZBROJNA in Polish 24 Nov 92 pp 1, 2

[Report by Janusz B. Grochowski: "I Understand The Army's Needs And Expectations"]

[Text] President Lech Walesa's meeting with POLSKA ZBROJNA employees on 23 November lasted almost two hours, one hour longer than expected.

The meeting, during which there was no shortage of probing questions and jocular replies, addressed issues connected with the building of a democratic state for all Poles, national security, and the function and future of the armed forces.

"POLSKA ZBROJNA is the daily newspaper of the Polish Army and an integral part of it," said editor in chief Jerzy Slaski. "Everything that is of concern to the Army is also of concern to us. We share the Army's successes and happy times, and its worries and difficulties. As we know, there is no shortage of the latter, but the fact that the Army has been restored to the nation, plus the fact that political contests involving the Army have finished, fills one with optimism."

The Need for Order

"We must aim to improve things in Poland," said the president. "It is high time we improved our daily life. It is time genuine values triumphed. Things could be much better in Poland. How fast we succeed in tidying up our Polish home depends on us."

The president said he was not satisfied with the results achieved so far. He claimed there are still too many violations of the law, too many shady dealings, and even downright lawlessness. "We see great harm being done," he said. "It still does not always pay to do honest work. There are plenty of people who pursue their own interests, while the interests of society as a whole are left neglected. Being more organized, the military community can help overcome these unhealthy trends."

POLSKA ZBROJNA

"The Polish Army's daily is getting better and better. It covers national affairs. Unlike other papers, it does not indulge in fractional contests, does not defend the parochial interests of some groups, and does not engage in various political squabbles. You should cover national, patriotic issues more broadly. That really does benefit our republic."

Poland's Situation

"We are on the threshold of an new era. No longer are we sandwiched between two mutually antagonistic blocs. Now that civilization has penetrated our border, Poland can be thankful for its situation. The more open one becomes, the more there is to be gained.

"But that does not mean there are no dangers. Of course there is no longer any frontal danger, but Yugoslav-type threats, caused by economic problems, may appear behind our eastern border. One can also expect millions of hungry people in the east to escape from the unemployment there. That is a likelihood."

Opinion of the Army

"I am skeptical about the reliability of opinion polls gauging social confidence in the Army and other institutions. People place their trust in the Army because they

fear the future, apart from which is the fact that most people have a relative in the Army, and no one is going to say bad things about one's relatives.

"There is also another aspect. The revolution of 1980 took place without the use of force. As a result, there is less criticism of institutions that did not take a direct part in the events of that year.

"Speaking of our present situation, one must admit that security is not permanent. We are living at a time when anything can happen. Therefore, we must make sure the Army is in good condition so that it can defend us against possible dangers."

The System of Security

"We need an effective system of security in Europe today. But it will take a little more time before we have one. I have no fear for Poland's security, but I do fear developments behind our eastern border similar to those in Yugoslavia."

Defense Doctrine

"Military men should have first say on this matter. We might not have any avowed enemies anymore, but a Yugoslav type of political-military situation may occur. We must be prepared for such an eventuality, and the Polish defense doctrine foresees it. Worth remembering is that one must know how to resolve small crises in order to prevent large conflicts.

"Are we defenseless? Let someone try us out. One or two Polish units might be taken by surprise, but in the end we will certainly be able to achieve the required combat readiness and counteract the enemy.

"It is wrong to say we are weak. We are not, and no one can frighten us."

Decommunization

"Most of all, it is necessary to alter the old way of thinking. That applies to many people in various posts. We must learn to do this within every milieu.

"People are divided into active and passive types. The active ones should be encouraged to channel their energy for the benefit of Poland, while those guilty of neglect should be quite simply made to answer for it.

"Before we settle scores with the past, we must first ask ourselves whether it was possible to declare war on all the strong men of the 1940's and beat them. Any intelligent person will answer no. Certain concessions would have had to be made then. That was the only road to the Third Republic. There was no other. And without an answer to this question, all other questions are irrelevant."

The Process of Democratization

"I wonder if I did not make a mistake in my way of thinking. Two sides met at a 'roundtable,' and a kind of compromise was reached. I thought a free society would emerge, which would organize itself in a proper manner. I thought proper political structures would develop, and that no distortions of authority would occur. Now I see that everything is too slow. Privatization is particularly slow, not to mention the development of small businesses. The Polish economy is still badly organized.

"In the meantime, in order to remain in power, the political forces in Warsaw are swapping posts with each other and struggling mainly for their own interests. That is why our democracy is so shaky.

"I believe everything will stabilize in time. One must prevent a situation where small businessmen have no control over their own affairs. I am still waiting for society to organize itself. Someone will say we have over 100 parties. They are mainly parties of activists. Unfortunately, most politicians represent only themselves and not their communities."

Visiting a Training Area

"I would very much like to visit a military training area, but unannounced. I would like to taste the genuine soldier's pea soup. As a corporal who did 325 months military service, I am sorry to say that soldiers treat me in the spirit of the saying 'stick to the kitchen and keep away from command.' They treat me with reserve. I do not like that."

Money for Defense

"Politicians involved in great debates fail to notice dangers that I as president have to notice. That is why I told the Council of Ministers: 'Gentlemen, stop kidding. We must perceive the dangers.' In addition, those factories that produce goods for the Army will solve their economic problems, and there will be no unemployment. I am pleased people have listened to me and the basic essentials have been organized."

Military Service

"I have four sons, and not one of them is dodging his military service. Where I was born, out in the country, anyone who did not serve in the army was regarded as a sissy. Everyone has his duty to perform, and no one should avoid it."

Walesa Meets Journalists, Opposes Decommunization

LD2511211492 Warsaw PAP in English 1617 GMT 25 Nov 92

[Text] Warsaw, Nov. 25—President Lech Walesa called Wednesday [25 November] on the editorial office of TRYBUNA, a social-democratic daily reflecting post-communist views. Although he strongly criticized the paper for publishing a reader's letter hostile to him and accusing him of betraying the Solidarity followers,

Walesa repeated his support for the existence of the left-wing in Poland and his opposition to decommunization.

Commenting further on the letter, the president once again explained that his powers were limited and there were other bodies obligated to help citizens overcome their difficult material situation. "I have led you all, including the TRYBUNA, to freedom and now it is you who must make use of this freedom which embraces such institutions as the government, the parliament, etc....I cannot build a law-abiding, affluent and honest republic by myself," he stressed, complaining that he was being criticised out of proportion to his real influence on the situation in Poland.

Walesa again stated he would not sign a law permitting abortion but added he had no opinion on the matter of penalizing women for illegal abortions.

The president also said he "did not like" the extradition of five Poles from Germany to the United States on charges of alleged illegal arms trade. "I have spoken to Foreign Minister Krzysztof Skubiszewski about the matter," he added.

Asked about what he expected of the left-wing in Poland, Walesa said that "the number of (parliamentary) seats it wins will depend on its wisdom, predictability, and will of struggle. In Lithuania the left-wing made an impressive showing and won quite a lot. I am certain that this will not happen in Poland for a long time to come because there is Walesa and there are others."

Government Willing To Aid Balkan Refugees

LD2811175192 Warsaw PAP in English 1442 GMT 28 Nov 92

[Text] Warsaw, Nov 28—Poland can provide shelter to refugees from the former Yugoslavia, but is unable to cover their costs of living, Prime Minister Hanna Suchocka and former prime minister Tadeusz Mazowiecki, a special envoy of the U.N. Human Rights Commission to the former Yugoslavia, told journalists on Saturday [28 November].

"If we manage to get funds from international organizations, the government is willing to accept another thousand refugees next to the 1,200 who have already come to Poland," Ms. Suchocka said after meeting Mazowiecki this afternoon.

She also said Poland was unable to finance the operation on its own because of its tight budget, but added she hoped Polish families will be also willing to accept refugees on an individual basis.

Ms. Suchocka and Tadeusz Mazowiecki, who has just returned from the United States where he presented the UN Security Council with his report on his second mission to the former Yugoslavia, also spoke about the situation in Poland and in the Democratic Union, which is headed by Mazowiecki.

Defense Minister on New Defense Doctrine

PM0112094492 Wroclaw SLOWO POLSKIE in Polish 18 Nov 92 p 5

[Interview with National Defense Minister Dr. Janusz Onyszkiewicz by correspondent Marek Burczyk; place and date not given]

[Text] [Burczyk] Minister, as a state we have no enemies among our neighbors at present. However, this does not mean that all the potential threat to our borders is automatically gone. Is it not true that our new defense doctrine, which is expressed in two documents: "The Tenets of the Polish Policy on Security" and "The Security Policy and the Defense Strategy of the Polish Republic," is in its optimistic outlook, a bit like a "fair-weather program"?

[Onyszkiewicz] Let me begin by pointing out that every military doctrine is constructed on the basis of the state's realistic possibilities, mainly in the sphere of its economic potential.... Furthermore, let us agree to one basic tenet: All analysts, foreign as well as our own, agree that a major war between European states is an unlikely prospect. However, you are right on one count: It is perfectly possible that new threats, which are impossible to predict today, could emerge any day. Fortunately, over the next few years such potential threats are only likely to develop on a small, local scale. Nevertheless, we must maintain a constant awareness of the possibility that they could happen, both within a short time scale and particularly over a longer period, because our ability to predict the development of the international situation in Central and East Europe is rather limited. An army can be destroyed economically within a year or two; on the other hand it will take a very long time to build it up again, and the costs of such an operation would be enormous. This is why, regardless of today's relaxed situation, we must resolutely maintain a sensible military combat potential—precisely for the possible rainy day.

[Burczyk] We are only a medium-sized country, which to make matters worse, is in the throes of a prolonged economic crisis. If we discount various noncommittal declarations issued by NATO to date, they are still not interested in welcoming us into their ranks. In view of this, are individual bilateral agreements on military cooperation sufficient to guarantee our secure defense position? Is it not necessary to reach some form of multilateral agreement, or preferably sign a multilateral pact, along the lines of the NATO II structure that was proposed by President Walesa?

[Onyszkiewicz] At the moment there is neither scope nor favorable climate in Europe for the construction of any new political and military alliances in addition to the one that is already there, which has already justified its existence, and whose name is NATO. We aspire to join that and no other alliance, although we are very well aware that it is certainly not something that could happen in the near future. For the time being, both our

own country and other countries in our part of Europe are perfectly satisfied with the kind of military cooperation, which we already have, and which is underpinned and defined by appropriate bilateral agreements. Given the present situation, these agreements serve very well the cause of creating and maintaining mutual trust among our countries and, in consequence, stabilizing the situation in our part of Europe, which has been the scene of so many violent transformations. A potential construction of a new multilateral political and military alliance would necessarily provoke questions: Who is the alliance against, and who are the alliance partners afraid of? Such questions would not be regarded as encouraging or positive signals in Europe today. Moreover, I suggest that we should not accord undue significance to military alliances. Too many of them remain now only in obscure archives in the form of insignificant pieces of paper commemorating long-forgotten and never realized agreements.... If our country were to be threatened in the future, personally I would always be more inclined to count on the natural solidarity of democratic states.

[Burczyk] We assume that our defense potential is too modest to be sufficient in case of a major war, but it should meet our needs in case of a local conflict. However, successive budget cuts turn out to be increasingly merciless, and the limits on armaments and military equipment we have negotiated in Vienna are not particularly generous. So is our defense potential really sufficient, or is it inadequate?

[Onyszkiewicz] The Vienna armaments limits are by no means as modest as you imply, although, of course, they could be more advantageous for us. Unfortunately, our problem in this sphere is quite different: We actually have difficulties in meeting the limits in the case of certain modern types of military equipment. For example, we successfully negotiated the limit of 130 combat helicopters, but we only have 30, and there is no money with which to buy the remaining 100.... The same situation applies to, say, infantry combat vehicles. Unfortunately, our armed forces budget is all too often treated like a kind of reserve stock from which we can draw unrestricted resources to supplement other so-called budget-funded sectors. This practice is ruinous for us in the long run, because it leads to a situation in which the armed forces simply lose their credibility and their "deterrence capacity." And what is the value of an army, which has lost this credibility and this capacity? We are currently conducting negotiations to ensure at least that the Defense Ministry budget is not "pared away" anymore.

[Burczyk] What is the position of territorial defense in our new defense doctrine?

[Onyszkiewicz] We want to create such specific military units within the new structure of our armed forces that our servicemen will almost literally be defending their own homes. These units will be equipped with lighter weapons, which do not fall within the restrictions of the Vienna limits. However, to organize them we need money again—the specific funds required to equip the new units and provide them with weapons.

[Burczyk] Our domestic defense industry is foundering, and we know only too well that a country of our size simply cannot rely exclusively on imported weapons and military equipment....

[Onyszkiewicz] We take the view that the fundamental, most modern section of the armaments industry must be preserved at all costs. This is an unconditional requirement. On the other hand, we will have to scrap the section, which was originally designed to supply the needs of a different geopolitical situation. Nevertheless, it would be a cardinal error to allow our military industry to suffer annihilation. A country such as Poland should definitely satisfy its principal needs in the field of armed forces equipment and weapons through its own industrial production. Apart from this, it is also necessary to export our weapons in order to bring down the costs of military arms and equipment. And here we encounter a difficult problem: How to find new markets in which to sell our arms in a situation where the old ones, such as Iraq, are no longer acceptable for political reasons. Consequently, in view of the enormous worldwide surplus of military equipment and weapons over the next few years it will be very difficult indeed for us to sell the products of our arms industry abroad.

[Burczyk] When are we likely to develop a professional armed forces structure?

[Onyszkiewicz] I do not believe it is a short-term prospect. The major barrier here is again presented by the prospective costs of the operation. However, I would be very cautious with introducing a professional army even at a time when we will finally be able to afford it. After all, there must be some sound reason why the decided majority of European countries—even the most affluent ones—have decided not to go in for professional armed forces.

[Burczyk] WHat are the arguments against it?

[Onyszkiewicz] The conviction that the defense of one's country should be a matter in which all citizens should participate; that all of us should contribute to the cause of national defense, albeit not necessarily only financially, through paying taxes. In addition, there is the fear that a professional army could be quite difficult to monitor and control via civilian and political instruments, and that it could consequently pose a potential threat to democracy.

[Burczyk] You have only just returned from an official visit to Greece, and very soon you will be taking a National Defense Ministry delegation on a visit to the United States. What are the implications of these visits for our defense capability?

[Onyszkiewicz] In Greece we signed a successive bilateral agreement on military cooperation. We shall have to wait to see the outcome of our visits to the United States

and, immediately after, to Britain. In any case, I personally hope that the outcome will be plentiful. Our visit to the United States will fall at a time when the new presidential team will only just be beginning to take shape and formulate its action programs. Therefore there is a chance that we will be able to influence their views on the situation in Europe and European needs and requirements. We believe that the United States should remember and reflect on President Wilson's mistake, when—after winning in World War I—they withdrew from Europe and returned to their own continent beyond the Atlantic Ocean. We all know what the consequences were.... What matters today is that they should be careful not to repeat that mistake today, after they won the Cold War. Why? Because Europe needs U.S. presence for its own security and its own stability. It needs the U.S. political presence most of all, but it also needs its military presence.

Jaruzelski Does Not 'Expect Immunity'

AU3011152592 Warsaw RZECZPOSPOLITA in Polish 25 Nov 92 p 2

[Report by E.K.: "Declarations and Formal Obstacles"]

[Text] "I do not want to hide behind anybody or anything, I do not expect immunity," said General Wojciech Jaruzelski at a hearing before the Sejm Commission for Constitutional Responsibility on 24 November, which reexamined an earlier motion to make the authors of martial law face penal and constitutional sanctions. He also repeated what he has said on previous occasions, that he was responsible for introducing martial law.

In a lengthy statement, the general said that he cannot accept the scandalous accusation that he violated the law in order to gain personal and material benefits. Such an accusation distorts the drama and complexity of the situation at the time, he said. Referring to history, he said that in July 1944, General Bor-Komorowski, the leader of the Warsaw Uprising, also received various conflicting reports. The Uprising itself was sparked off by a report that Soviet tanks had appeared on the other side of the Vistula, he said. Historians and politicians will continue to differ in their assessments of this decision for many years to come. The decision to introduce martial law involved similar doubts and uncertainties.

Replying to the accusation whereby the Military Council of National Salvation [WRON] was unconstitutional, General Jaruzelski said that the "roundtable," the talks around which had a momentous effect on the country's fortunes, was just as unconstitutional. "That strengthens my conviction that this whole topic is being used as a weapon against me," he said.

Speaking of himself and his former colleagues, the general said: "We are people who are living on the other side of the river, so to speak. We would like to spend our last days in relative peace. We do not lead extensive social lives, and we try to avoid topics dealing with those times. Those times are a terrible psychological trauma, and it is a good thing they are behind us. But it is also a good thing that we have been able to achieve today's changes by peaceful means, step by step. I hope we succeed in completing these them. But I repeat, martial law was not only a shock, but also a chance to implement the reforms. These reforms were not big, but they were reforms nonetheless, and they set us apart from other countries of this region. As Gorbachev has said, he used Poland as a pattern for his own perestroyka. Therefore we were a kind of laboratory."

The Committee hearing continues on Wednesday [26 November].

Warsaw Committee For Abortion Referendum Created

LD3011222792 Warsaw PAP in English 2130 GMT 30 Nov 92

[Text] Warsaw, Nov. 30—A Warsaw Committee for an Abortion Referendum, headed by Professor Jan Haftek, a surgeon, was set up here on Monday [30 November]. Over 20 similar committees have been set up throughout Poland so far. They have collected over 300,000 signatures in support for the idea to hold a referendum, Deputy Jacek Zochowski said.

The Warsaw committee is based at the headquarters of the Labour Union (UP). Some 100,000 signatures have been collected in the capital, journalists were told.

Deputy Zbigniew Bujak, the initiator of the movement, proposed to hold a public discussion, preferably on TV, on the matter. He also intends to address a letter to Polish bishops in reply to their appeal to the faithful against the referendum. The bishops' letter was an attempt to "intimidate people", Bujak charged.

Meanwhile, Deputy Prime Minister Pawel Laczkowski denied the recent suggestions that the controversies on the abortion issue may make it difficult to maintain the ruling coalition. He said that the dispute among parliamentarians on that matter does not affect the work of the cabinet. It will not threaten the budget debate either, Laczkowski said.

Finance System Receives Funds For Restructuring

AU0112103792 Warsaw PAP in English 2159 GMT 25 Nov 92

[Text] Warsaw, Nov. 25—Seven out of the 18 countries representing the Polish currency stabilization fund agreed at a Wednesday [25 November] conference in Warsaw to allocate 500 million U.S. dollars out of a one-billion-dollar fund to the restructuring of the financial system in Poland, Finance Minister Jerzy Osiatynski said after the conference.

In the draft budget for 1993, Poland proposed that the money from the stabilization fund be spent on issuing bonds worth 21 trillion zlotys (1.5 billion U.S.dollars) by the State Treasury.

These bonds would increase the banks' own funds and accelerate the process of their privatization. Before privatization, bonds would be bought by the state budget, afterwards they would be financed from the stabilization fund.

The countries which have created the stabilization fund three years ago will meet in Washington to discuss new agreements facilitating the move.

The conference on Wednesday was attended by Prime Minister Hanna Suchocka and representatives of the IMF and World Bank. Suchocka stressed that the possibility of allocation of the fund's resources to restructuring and privatization of the finance sector would be vital for the success of the Polish reform.

Sejm Passes Value Added, Excise Taxes

LD2811172692 Warsaw PAP in English 1340 GMT 28 Nov 92

[Text] Warsaw, Nov. 28—The Polish Sejm (lower house) on Saturday [28 November] passed the law on Value-Added Tax (VAT) and Excise, but rejected a government-backed proposal to levy a 22 per cent VAT on gas fuels and energy instead of a Sejm-proposed seven percent one.

Deputy Finance Minister Witold Modzelewski said after the voting that this decision may cost the state budget about 6 trillion zlotys (some 400 million USD) and a possible increase in fuel prices exceeding the scheduled figures.

German Neo-Nazis Active in Silesia

AU0112123292 Berlin BERLINER ZEITUNG in German 26 Nov 92 p 3

[Report by Anke Weig from Warsaw: "His Shepherd Dog Is Only Keen on Poles, He Says"]

[Text] In upper Silesia, which looks so sleepy, people are playing with fire. Extreme-right splinter groups from the FRG are active in Poland. Under various party names, they are trying to instrumentalize the German minority for their purposes and establish regional associations of FRG right-wing parties on Polish territory.

The characterless village of Dziewkowice, off the main road that connects Opole with the industrial metropolis of Katowice, was chosen by 22-year-old Gunter Boschuetz, commissioner for Poland of a neo-Nazi party in Baden-Wurttemberg, as a "basis."

In the village with 1,200 inhabitants, the German minority, which is estimated at approximately one-third of the population in upper Silesia, is the majority: 90 percent of the inhabitants, who subsist mainly on mining, are Germans. The neofascist organization bought a 10-room house from a resettler—by a private contract and without the necessary permit from Warsaw. From there, Boschuetz is pursuing his activities. Every two weeks, he comes with "comrades" from the Black Forest to Dziewkowice for a couple of days. In Silesia, he recruited aides for the land election campaign in Baden-Wurttemberg and Saxony. From Dziewkowice he organizes various events. Boschuetz had German-Canadian Ernst Zuendel, one of the advocates of the "Auschwitz lie," explain his mad idea in the former concentration camp. A "special party congress" with 30 Silesian and 20 FRG "comrades" took place in a neighboring village last July.

In Zabrze (Hindenburg) Herbert Raschka, Boschuetz's "Silesian contact," established an association. Meanwhile, his youth organization has 36 members, said the pensioner, who applied for membership in the fascist party of his southern German friend. Raschka welcomes German visitors by referring to his shepherd dog: "He does not harm Germans, he is only keen on Poles."

Moreover, Boschuetz started a campaign in the Polish press from Dziewkowice. In a Polish television interview, he propagated the usual extreme-right slogans: He declares himself for the "tradition of National Socialism," the objective of his party is a "Fourth German Reich" free of foreigners. The purpose of such provocative statements in the Polish media is to find "elements that can be used and recruited from the mass of the Silesians," Boschuetz explained to BERLINER ZEITUNG. His party is striving for the reestablishment of the German Reich in the borders of 1914, he stated. The FRG is to "buy" the former German areas of Silesia, Pomerania, and western and eastern Prussia from Poland. The Polish majority that meanwhile lives here is to settle in "inner Poland" "with adequate economic help" from the West—in the case of Silesia, Boschuetz talks of the resettlement of 70 percent of the population; in the other regions, there are hardly any Germans left after the expulsion policy after the war.

In addition to press policy, Boschuetz's organization is trying to infiltrate the "German Circles of Friends" (DFK), associations of the minority for the promotion of the German language and culture that are financed by the FRG. There 23-year-old Ralf-Peter Goetz, who calls himself "extreme-right" and acts as the caretaker for Boschuetz in Dziewkowice, is "canvassing for sympathy" with great success.

"He is a good boy who has not done anything bad," the neighbors praise him. Goetz, former member of the National Democratic Party of Germany, was introduced by Wieschollek, mayor of Dziewkowice, to the Circles of Friends. There the young Nazi was immediately elected secretary because he can type and knows how to fill in the applications for a German passport, which are much sought after by the minority. Until recently, Goetz held German classes. Last year, he played Santa Claus for the children of the village. He has an almost friendly relationship with Mayor Wieschollek.

The 54-year-old pensioner, who runs a food store next to his office, is a figure with conflicting traits. He has

already been in office for 30 years—before the change as Helmut Wieszolek, chairman of the local communist party and chief of the voluntary militia troops—today, after having regained the German spelling of his name, he is putting his stake on the German card as Helmut Wieschollek.

There he sometimes drops a brick: One and a half years ago, he placed bilingual place-name signs at the entrance of the village and—according to Polish law—had to remove them again. Now he designed a new sign for a private plot next to the church: "Dziewkowice—Frauenfeld—greets all guests" is written there—which would be really harmless if Wieschollek had not precisely unearthed again the German name that the village got for nine years as a seal of quality for pure Germanness in Hitler's time.

However, Wieschollek does not want to hear of the fact that for centuries the village was not called Frauenfeld, but Schewkowitz. According to his poor explanation, he was born in "Frauenfeld." So far, the mayor who shows German national consciousness has maintained very close contacts with all FRG neo- Nazis who discovered upper Silesia as a field of activities in the past one and a half years. Thorsten Paproth from Konstanz introduced Goetz and Boschuetz to Wieschollek. In a neighboring village, Paproth has been in charge of the monthly SCHLESIEN REPORT with a circulation of 2,000 copies for a little less than a year. The paper writes impertinently about "Germans under Polish administration"—as if the Polish state did not exist in the borders defined in the friendship treaty with the FRG. In the November edition, a highlighted quote of General Clausewitz produces the impression of warmongering: The dignity and freedom of a people must "be defended with the last drop of blood." The paper can be bought for 35 pfennig at every newsstand in the Opole region and also in Wieschollek's' food store; but it is mainly distributed via the "German Circle of Friends."

The slogans of the SCHLESIAN REPORT fall on fertile ground in the German minority. Hardly one of the ethnic German Silesians has gotten over the fact that his Silesian homeland is not "taken home to the beloved motherland." What the paper writes is "not exaggerated and is based on facts," Franz Kucharczyk, DFK chairman of Dziewkowice, says. The 65-year-old pensioner is undoubtedly anything but a Nazi. But the language of the minority, which was "frozen" in more than 45 years of communist rule and its nationalism and was cultivated in the isolation from the further developing Germany, also result in a complete confusion of concepts in Kucharczyk's case. Meaning no harm, he put up a map of the eastern territories of the German Reich in the borders of 1937 in the DFK office. It was finally supplied from the FRG, by the Expellees' Association, the chairman of the Circle of Friends said.

Even the postwar generation, which is estranged from German culture and speaks Polish after 45 years of oppression by the communists, frequently does not feel to be committed to loyalty to the Poles. They are "Silesians," 20-year-olds affirm. And after some glasses of vodka in the rundown "Bar Jednosc" at the end of Dziewkowice, several are prepared to swear at "the Polacks."

The Polish judiciary helplessly faces the doings of the southern German neo-Nazis, which perfectly merge into the naive nationalism of large parts of the minority. Declarations of intent are not yet an offense, the public prosecutor of Opole says. The FRG fascists, one-fourth of whose German members are skinheads, according to Boschuetz, know exactly how to move on the narrow line between legality and illegality. However, the authorities' incapacity to act calls Polish fascists into action: The "Polish National Community" of neofascist Tejkowski, who recently went underground and regards the Germans as the root of all evil. Every day his skinheads, who only look for an opportunity to strike, meet in Opole to "discuss the situation."

But not only Polish extremists react to the doings of German and Silesian right-wing extremists. Poles increasingly voice the suspicion that their country cannot defend itself because it is financially dependent on the rich FRG. On the other hand, Silesia's economic misery causes the German minority to increasingly insist on its nationality.

Melescanu Comments on Talk With U.S. Congressman

AU2811165192 Bucharest Radio Romania Network in Romanian 1100 GMT 28 Nov 92

[Statement by Foreign Minister Teodor Viorel Melescanu in Bucharest on 28 November— recorded]

[Text] I have held talks with Mr. Lantos who is on a fact-finding tour in the central European zone aiming to elaborate a report concerning new developments in that zone. His report will not just be used by the United States Congress but also by the new administration, that is, by Bill Clinton's and Gore's presidential team.

Considering the issues that are of major interest to Congressman Lantos, we tried to provide him with certain pieces of information that—in our opinion—are able to illustrate the extremely positive evolution of Romania at all levels, especially in the field that Mr. Lantos is mostly interested in, namely in the promotion and the protection of human rights—including the rights of persons belonging to ethnic minorities—freedom of press, and the development of education in Romania.

Congressman Lantos has also voiced some of his ideas.

Personally, this contact was very important to me in order to be able to understand Congressman Tom Lantos as a human being. He is a person who—in his concern for a number of minorities—has been profoundly marked by the fact that his whole family was killed by Hungarian fascists during the holocaust in World War II. Thus, I was able to understand his interest in such issues. I could also reassure him that it primarily lies within the interests of the Romanian Government and the Romanian authorities that the democratization process and the protection and strengthening of human rights in Romania should continue.

Naturally, it might be seen as lack of modesty on our behalf if we expected Congressman Lantos—who has been informed about our area for over 40 years—to change all his opinions concerning that zone after merely one meeting. Nevertheless, if we did not manage to make him change his views, perhaps we managed to make him doubt; we might have managed to shake some of those ideas or prejudices, if I dare say so.

We tried to emphasize the fact that Romania's Government considers the development of our relations with the United States a priority goal. As a matter of fact, as you may know that the Consultative Council of the Ministry of Foreign Affairs held a meeting yesterday in the halls of our ministry, and all political forces fully agreed that the development of our relations with the United States has to be a priority task of our work. We tried to explain to Mr. Lantos that—viewing things from that angle—the granting of the most-favored-nation status almost becomes one of the indispensable conditions for Romania to reach that priority goal.

We also tried to explain to him that the issue of human rights should not only be one of the major concerns of the Romanian Government, but that it also should be regarded as such by all other governments in our zone and even in the whole world, because no one is immune to such phenomena that seriously concerns us as the ones one can see in neighboring countries: the growth of hatred, xenophobia, racism, and nationalism. We are aware of the fact that no one is immune and that includes us.

We tried to tell him that refusing to grant Romania the most-favored-nation status does not serve that purpose very well. On the contrary, we tried to tell him that denying the most-favored-nation status actually affects all people, including the ethnic minorities, and, in certain cases, it even affects minorities more than others. For instance, I tried to explain to him that in the case of the furniture factory in Tirgu Mures [a city mainly inhabited by the Hungarian minority] and in the case of other such factories that used to manufacture goods to be exported to the United States, refusing to grant us the most-favored-nation status affects everyone, but it mostly affects persons belonging to that ethnic minority, who are trying very hard to earn a living. That is why we tried to highlight the fact that—although we admit that it would be beneficial for us to deal with the observance of human rights and we have to go on with that—we do not think that denying us the status is the most appropriate method.

I repeat, we could not expect Congressman Lantos to change his views, as that would be ridiculous, but I still think that we have managed to shake some of those views. Considering the statement made by Mr. Lantos after our talks, I think he has left a very important door open for us. We should not forget that Mr. Tom Lantos is a congressman of the United States of America, who has to be provided with all the information he needs to be able to decide in such an important issue as the granting of the most-favored-nation status.

Senator Coposu Views Talks

AU0112075792 Bucharest ROMPRES in English 1806 GMT 30 Nov 92

[Text] Bucharest, ROMPRES 30/11/1992—During the weekly press conference of the Christian Democratic National Peasant Party (PNTCD), which took place Monday, November 30, Senator Corneliu Coposu—who is also the president of that political party—underscored that "he was surprised" at the fact that U.S. Senator Tom Lantos, who visited Romania recently, had not insisted on the situation of the minorities, but was interested instead in Romania's problems arising from the difficulties of the transition period.

Mr. Tom Lantos—the PNTCD leader said—also told us that according to his data "the phenomenon of nationalism and excess of demands from the minority groups" were specific of all former communist countries and that Romania was no different in that respect. "Mr. Lantos

informed us that he had recommended both the Hungarian authorities and the Hungarian Democratic Union of Romania to dampen patriotic excesses" Corneliu Coposu added.

Mr. Coposu pointed out in the same context that the PNTCD had firmly asked the American congressman to support Romania's being granted most-favored-nation status and also the deblocking of financial funds for Romania, as these were in favor of the Romanian people's interests.

PUNR Representative Disappointed

AU2811180892 Bucharest ROMPRES in English 1628 GMT 28 Nov 92

[Text] Bucharest, ROMPRES 28/11/1992—Deputy Cornel Brahas, Deputy Chairman of the Romanian National Unity Party [PUNR], stated after the November 28 interview at the Chamber of Deputies with U.S. Senator Tom Lantos that it was "an infertile exchange of niceties and even a monologue for a while." He said that "no matter what he will find out in Romania, Mr. Lantos will still stick to his opinion."

"Although I asked the floor, I was not permitted to speak" the Romanian chamber of deputies member said. "Since Mr. Lantos mistakes Romania for Yugoslavia, some leaders for other leaders, other, unbiased congressmen should come to Romania if it is about finding out the truth. Mr. Lantos' pro-Hungarian feelings are obvious, although he referred to Hungary a little sadly. We do not trust Mr. Lantos, so we will officially apply in written to the U.S. Congress to send other representatives to see realities in Romania," deputy Cornel Brahas said.

Romanian President Discusses Internal Situation

LD2411175892 Paris France-2 Television Network in French 1200 GMT 24 Nov 92

[Studio interview with Romanian President Ion Iliescu by correspondents Henri Sannier and Laurence Piquet in Paris—live]

[Excerpts] [Sannier] Mr. President, good afternoon and thank you for accepting our invitation. [passage omitted]

I noted earlier that you were carefully following Stephane Manier's report [on freeing of Nicu Ceausescu]. Mr. President, many say that you are the last of the communists still in power. Are you upset by this remark?

[Iliescu] I note that here, in France like in Romania, we are intoxicated by ideology. What we are doing, our efforts to transform the whole of society at all levels: at the economic, social, political, and moral levels we are faced with this distorted picture and this prejudice concerning the assessment of this process.

[Sannier] Nevertheless, you have difficulties in getting rid of communism?

[Iliescu] We did get rid of it. I have been the symbol of this desire to transform Romania for 20 years. I represent the symbol of this transformation and of those who took part in the downfall of Ceausescu, in the December revolution.

[Piquet] But today, you are still surrounded by people who held positions of responsibility under Ceausescu, so you did not completely cut off links with this past.

[Iliescu] You see, first of all it must be clearly said what people who held responsible positions means. You cannot have politics with people who have no political experience. We attempted such things with totally inexperienced people and they failed in the past three years. But you will not find anyone linked with...

[Piquet] ....Your health minister, for instance, held a responsible position: He was in charge of foodstuff planning.

[Iliescu] No, he was a doctor, a specialist for diet and diabetes and was consulted as such; he never held any political post.

[Sannier] You make a clean sweep for a certain number of people, of politicians who are experienced, can you expand on that?

[Iliescu] It must be done at a general level: If a society has to be changed, all forces able to participate in this process must do so and these ideological prejudices must be set aside. There are naturally individuals who are guilty of penal offences, they will have to be judged accordingly, but to launch a campaign of general suspicion and to make large number of people feel guilty does not add anything.

[Sannier] We have two topical questions to ask you. Laurence, go ahead.

[Piquet] First of all you cannot deny that in the cooperatives, in the economy there are still many apparatchiks of the Ceausescu era.

[Iliescu] You see, this is still a general prejudice: People ought to be judged according to their managerial and specialist abilities and not to launch...[pauses] It is a Stalinist way to use labels for people so as to push them aside from constructive activities for society. [passage omitted]

[Piquet] You were re-elected with the support of ultranationalists; do you wish to govern with them today?

[Iliescu] Do you consider that 62 percent represent the weight of nationalists?

[Piquet] I do not say that there are only ultranationalists; but ultranationalist leaders gave you their support, it is a known fact.

[Iliescu] Not only....

[Piquet] ....Naturally not only, but do you wish to govern with them today?

[Iliescu] No. One does not govern with ultranationalists, one governs with the center-left party, the National Salvation Democratic Front, which won 30 percent of the votes in the elections and which has 34 deputies in parliament.

[Sannier] So no compromise is possible with the nationalists?

[Iliescu] No compromise. I was always against nationalist, xenophobic excesses, we are even worried by this phenomenon, which exists around and within the country. Extremist movements feed on each other, so, more than once, I expressed my firm stand against these excesses, these nationalist extremists.

[Sannier] A last word concerning the news: What do you think about the trade difficulties between France and the United States? Are you more on the French side? Are you not somehow embarrassed since you are knocking on Europe's door, are you with us or.... What do you think?

[Iliescu] This is a serious issue which does not affect us directly but now I believe that the French can better understand the situation of Romania and of other countries concerning access to the Common Market and also our difficulties with the United States concerning the most-favored-nation clause. You are yourself experiencing the same kind of difficulties...

[Sannier, interrupting] Are you behind French farmers?

[Iliescu] ...and we can understand each other better.

[Sannier] Thank you, Mr. President.

[Iliescu] We are on the side of French farmers, it is true.

[Sannier] Thank you for answering our questions live.

[Iliescu] With pleasure. Thank you for this opportunity and for your kindness.

[Piquet, Sannier] Thank you.

Vacaroiu Favors Social-Type of Market Economy

AU2511194492 Bucharest ROMPRES in English 1900 GMT 25 Nov 92

[Text] Bucharest, ROMPRES 25/11/1992—"The notion of democracy," Prime Minister Nicolae Vacaroiu showed in an interview with the newspaper ROMANIA LIBERA, "is very broad, covering areas from the economy to the freedom of speech. Economically speaking, it means the freedom to make decisions, but the aim is to make the economy advance rather than let it go bankrupt." It is Vacaroiu's opinion that "the state should offer the economic agents the right to decision-making but they should not destroy, but turn profitable, for which reason the state should set a number of performance criteria."

Referring to the political colour of the governing programme, Vacaroiu said that the platform-programme of the Democratic National Salvation Front, which assumed the task of governing, was centre-left and added that "no matter the party assuming leadership the only alternative is to reintroduce levers to stop the fall of material production."

In the same context, Premier Vacaroiu showed that his cabinet aimed at consolidating democratic processes, ensuring greater social protection, especially for disadvantaged segments of the population and put a halt to the drop in production. "However, the social costs of transition," he said, "will have to be borne."

The Romanian prime minister also referred to the concept of the market economy of a social type, whose adept he is: "the market economy of a social type—the Swedish model being the most representative—does in no way attack democratic principles. What is important is the way in which part of the profit is distributed, which, as a rule, is achieved by way of taxes." Therefore, Vacaroiu concluded, "the state promotes a policy of taxes which is stronger than in other countries and redistribution is aimed at ensuring social protection."

Approaching the problem of a more rigorous control by the state, which was upheld in previous expositions, the premier said: "Property is property and it is out of the question. He who is an owner can do whatever he pleases with his property. But, as shareholders in a Western company boast a control apparatus that checks the way in which the administration board administers property so the state, as an owner, should exert control in the current stage of transition and in conditions in which, at least for the time being, it is the largest owner by far." [sentence as received] Vacaroiu pointed out that he approached the role of the state in its capacity as owner, as a private owner.

Nastase Accuses Moscow of Moldovan 'Blackmail'

AU0112080192 Bucharest ROMPRES in English 1755 GMT 30 Nov 92

[Text] Bucharest, ROMPRES 30/11/1992—Adrian Nastase, speaker of the Chamber of Deputies, inaugurated Monday, 30 November, the series of press conferences to be given by the Chamber.

In a preliminary statement, Mr. Nastase referred to several aspects of the Chamber's activities and underlined, in this respect that the organizational side of the Chamber could be considered completed. The inventory taken over from the previous Chamber includes 112 bills, of which 35 have been kept for scheduling, 49 returned to the new cabinet for a new evaluation

enabling either their listing for debates in parliament or their withdrawal, and other 35 submitted to standing committees for due consideration.

Relative to the parliament's, particularly the Chamber's international activities, Adrian Nastase gave a few considerations on the recent visit a parliamentary delegation paid to the Republic of Moldova, under his leadership.

The visit, he said, had a special character, it being the first major external action taken by the new parliament, and its importance enhanced by the fact that the visit took place after the new government of Romania had been validated. Speaker Nastase pointed out that the delegation was formed of members of all parliamentary groups. In his opinion, the contacts with all the political forces in the Republic of Moldova were a message of encouragement for the Romanian brothers over the Prut.

In reply to a question, Mr. Nastase admitted that his speech delivered before the parliament of Moldova did express a certain apprehension of the political forces in Romania about the ups and downs of the developments in Moldova over the past one and a half years.

He underlined that everyday problems should by no means sacrifice long-term objectives of historical significance. "We must always have this in view when we are supposed to assess and understand the situation of our brothers in Moldova," Adrian Nastase said, adding that "things in the Republic of Moldova should not be allowed to slide back to the situation of 1940."

Of particular relevance was considered Mr. Nastase's remark that "Moscow puts great pressure on the Republic of Moldova, among other things in the form of an economic blackmail."

CDR Leaders Discuss Political Strategy

AU2811172492 Bucharest ROMPRES in English 1548 GMT 28 Nov 92

[Text] Bucharest, ROMPRES 28/11/1992—Emil Constantinescu, the newly elected chairman of the Democratic Convention of Romania [CDR], told a news conference in Bucharest on November 28 that the rules of the convention would be articulated in the period ahead, insisting on the idea that the political alliance he is leading would not turn into a super-party. Professor Constantinescu also said that the CDR program, also presented in the past election campaign, would be amended and adjusted to the new postelection political realities in Romania.

The questions about the failure of the CDR in [the 27 September parliamentary] elections were given various answers: the insufficient explanation of the message on the need for a change proposed by CDR (Emil Constantinescu), the delay caused by the drawing up of lists by numeric criteria instead of value-centered ones as the Civic Alliance Party had proposed (Ana Blandiana), the improper organization and the absence of professionals that should ensure success in all moments of the campaign (Nicolae Manolescu), and material causes but also the inexplicably numerous void votes (Corneliu Coposu).

As for the possibility that a powerful liberal party be developed inside the CDR, Emil Constantinescu opined it would be welcome not only for the CDR itself but also for the whole Romanian political life. It was also announced at the news conference that a debate would be organized with the participation of the Democratic Union of Hungarians in Romania [UDMR] on the national question and on the UDMR declaration of Cluj-Napoca [asking for autonomy because of collective rights].

The CDR's new chairman insisted on strengthening the CDR's links with the trade unions that expressed the wish to have a dialogue with democratic forces united in CDR rather than with only one party.

Melescanu Leaves for Paris WEU Session

AU0112075492 Bucharest ROMPRES in English 1812 GMT 30 Nov 92

[Text] Bucharest, ROMPRES 30/11/1992—Minister of State Teodor Melescanu, Romania's Foreign Minister, left Monday, November 30, for Paris where, together with a Romanian parliamentary delegation, he will attend the proceedings of the 30th session of the West European Union's [WEU] Parliamentary Assembly.

The head of the Romanian diplomacy and the Italian foreign minister were invited to make a survey of the respective countries' concerns in the field of security. "The fundamental aim of my participation in this session—said Mr. Melescanu—is to set forth the stand of the Romanian Government as to Romania's situation from the point of view of security, our options and, of course, the way the WEU can contribute in Romania's security."

Referring to the importance of Romania's relations with that European organization, Mr. Melescanu stated that after Romania's association to the EC was complete the WEU—which is also seen as the strong arm of the Common Market—would have a special relationship with Romania.

Government Views Decision on Wage Indexation

AU2711174292 Bucharest ROMPRES in English 1515 GMT 27 Nov 92

[Text] Bucharest, ROMPRES 27/11/1992—On Friday, November 27, the Victory Palace in Bucharest was the venue of a special government meeting which endorsed draft decisions on the compensation and indexation of salaries, pensions and other incomes of the population staring November 1.

According to these decisions, in November and December the worth of the average compensation-indexation per employee will amount to 5.250 lei, which, on the level of the economy, accounts for an average salary growth of 17.5 percent.

As for pensions, upon a proposal by the prime minister, it was decided that length-of-service and old-age pensions, as well as incapacitation pensions of up to 10,500 lei, along with dependent pensions of 7,500 lei per month be indexed by 25 percent. Length- of-service and old-age pensions, as well al incapacitation pensions of more than 10,500 lei and dependent pensions exceeding 7,500 lei will be indexed by 21 percent.

Agriculturists' pensions will be indexed in a manner similar to that applied in the case of state social security pensions, that is 21 percent.

The government also agreed that exceptionally a number of alimentary products would be exempted from customs duties over December 1, 1992 - March 15, 1993.

During the meeting, the government also endorsed two draft decisions on the creation of the Executive Bureau of the Romanian Government, which will include the prime minister, the four state ministers, the minister of defence, the minister of the interior and the minister for liaison with parliament.

At the end of the debates, Premier Nicolae Vacaroiu showed that given the difficult period Romania lives through, the situation of the population's supply with a number of agroalimentary products, such as sugar, which is subsidized, edible oil, flour and powdered milk, as well as the population's supply with natural gas and gasoline be exactly outlined before the next week's meeting of the executive.

As for agriculture, the head of the executive requested a report outlining the possibilities of supplying the chemical fertilizers needed on the sowings made this autumn, as well as a variant of the mechanism for the sale of farm machinery and implements, seeds and others on credit, over a seven-to-eight year's period, with an interest of 10-15 percent, and a period of grace of one or two years, also with the possibility of paying those credits back in farm produce.

The prime minister also requested that the 1992 budget be presented corrected with the effect of the new prices and asked that the 1993 budget be worked out urgently.

Vacaroiu Discusses 'Managerial Contracts'

AU2611160492 Bucharest ROMPRES in English 1456 GMT 26 Nov 92

[Text] Bucharest, ROMPRES 26/11/1992—Answering the questions of the economic department of the national news agency ROMPRES, Romanian Prime Minister Nicolae Vacaroiu offered details about present and future economic activities in Romania.

He highlighted the negative effects of the lack of managerial contracts in the Romanian economy after the events in December 1989. The lack of such contracts, including quality parameters, he pointed out, is comparable with the situation in which an employer places his company in the hands of a manager and tells him to do what he wants with it. Such managerial contracts, he said, are not a form of centralism; they are mere instruments, specific to the market economy, whereby performance criteria are established for the administration board of a society in which the shareholder obviously is the one that commands.

It is Vacaroiu's opinion that the mentioned economic instrument could be applied very soon. We hope, he stressed, that a framework for managerial contracts will be defined in one to three weeks' time and that performance criteria, to be included in this contract, will be set on the basis of an analysis with experts.

Approaching the sensitive issue of the course of the reform in Romanian agriculture, Premier Vacaroiu said he intended to suggest corrective measures in the case of the land law and of other laws if a number of their provisions created difficulties and prevented their application. As for the land law, the main concern will be to find solutions to set territorial boards working so that titles of property may be distributed as soon as possible, the Romanian premier opined.

Starting from the idea that agriculture is a branch of prime importance for the Romanian economy at present, Premier Vacaroiu envisaged, for the insurance of a smooth run of the reform in the respective area, the promotion and adoption in Parliament of the lease and cadastre law. The arguments and considerations behind the parliamentary commissions' rejection of the lease law will be reviewed, the premier said.

Prime Minister Nicolae Vacaroiu also pointed to the initiation and application of a system of subsidies in agriculture, employing as main instrument the direct subsidies, which he considered as the most efficient. They are necessary as the chain effects that may occur at all levels, to the obtainment of the finished product, may be alleviated in this way, Vacaroiu stressed opining that the facilities granted to agriculture would have to be expanded up to the granting of equipment for credit and the payment in kind over a period of five to seven years. The Romanian premier also pointed out that the requirements for agricultural products of the Romanian economy should be well pondered so that more difficult or deficit cultures might be stimulated.

Referring to the prospect of creating free [trade] zones in Romania, Nicolae Vacaroiu considered them a success and informed that soon the Agigea-Sud free zone [on the Black Sea shore] would open. It is a zone of great importance to Romania as it provides for a strong flow of foreign investors. The Romanian premier expressed his hope that under the circumstances, the Danube-Black Sea canal would be rendered efficient. "After an

experiment period of five to six months, other free zones would be created, possibly in Giurgiu, Turnu-Magurele [on the Danube River], and in the city of Arad," he said.

Statistics Officials View Trade Balance Evolution

AU2611160292 Bucharest ROMPRES in English 0950 GMT 26 Nov 92

[Text] Bucharest, ROMPRES 26/11/1992—After three months on end with a trade surplus, export dropped 4.4 percent in October, said Petru Pepelea, chairman of the National Statistical Board at the news conference of November 25.

As compared with the same period of last year though, Romania's exports have increased this year. The exports for hard currency in the first ten months of this year totalled $3,334.7 million, by 25.9 percent higher than in the same period last year. Imports were worth $3,989.5 million, by 3.9 percent higher than in the first ten months of 1991. Romania's trade deficit is $655 million.

The private sector of foreign trade for hard currency reported rises higher than the all-country average, both last October (19.9 times by exports and 2.1 times by imports, as compared with November 1991), and throughout the first ten months of this year (2.2 times by exports and 3.2 times by imports). "Consequently, the share of this sector in the foreign trade for hard currency reached 25.7 percent in case of exports and 33.4 percent in case of imports," Pepelea said.

The imports for hard currency in the first ten months topped exports in the private sector by $473 million.

Finance Minister Georgescu Discusses Reform, Goals

AU2611100292 Bucharest CURIERUL NATIONAL in Romanian 23 Nov 92 pp 1, 5

[Interview with Finance Minister Florin Georgescu by Ioan Rosca; place and date not given: "Continuation of the Reform Process"]

[Text] [Rosca] Mr. Minister, how do you see the continuation of the reform process in the area you are leading?

[Georgescu] To begin with, I want to specify—to prevent any kind of biased interpretation—that the reform process, the transition to the market economy continues. In the financial area, this means ensuring a favorable framework for competition, for the correct assessment of the viability and profitability of economic units operating with state capital in light of achieving a structural adjustment in sectors and firmly using fiscal levers, especially for giving an impetus to capital investment and reinvestment, production, and exports. As an area that is the responsibility of the Ministry of Finance and whose development will create preconditions for achieving the aforesaid objectives, I would specify the introduction of the value-added tax, adjustment of the law on profit tax to the new requirements, and introduction of the taxation of overall incomes. However, all this requires great professional, organizational, and financial efforts, which have to be made continuously to prevent a shortage of revenues in the state budget, not even a temporary one. Along another train of thought, I want to specify that we will pay particular attention to managing the state capital by establishing, together with the State Ownership Fund (FPS), tangible tasks and responsibilities for those authorized to represent the state's interests (the so-called CIS) [expansion unknown] and, on the other hand, by instituting, on the basis of fixed-term management contracts including simple, modern, and flexible performance criteria, the rights and obligations of economic units operating on the basis of state capital in their relations with owners—that is, with the state. I think that it is necessary for all these economic units to introduce internal control and adjust their objectives and operation to the requirements of transition, something that has not been done so far, although it was recommended by the current leadership of the Ministry of Finance. Our checks proved the tendency of certain unit leaders toward an activity without very many reference criteria or periodical assessments of the results and counter results achieved. Obviously, this control institution is also necessary if we bear in mind the need to preserve the integrity of the patrimony that has to be administered, naturally not in a centralist way as was done formerly. I think it is necessary to follow the prices set by economic units based on state capital, which are operating as monopolies, as well as those of such units in which the price increase rate is obviously at variance with the increase rate of inputs (raw materials, energy, indexations, and so forth). I am not talking of an administrative way of intervention by the state or guidance, but just the use of extremely important levers to combat inflation and protect the consumer through prices. I think that the new accountancy system is very important for the progress of the reform; we will experiment with this system in 1993 and will introduce it in 1994. It will structure accountancy-financial information on the basis of the principles characteristic of established market economies.

[Rosca] What other objectives do you propose to achieve?

[Georgescu] We will try to keep a possible budget deficit within reasonable limits by bearing in mind potential sources to make up for it and by trying to use it exclusively for investments in the economic infrastructure. Then we will constantly follow the development of domestic and foreign debts; we will take up foreign credits to use them mainly for the production process and only in very pressing cases for consumption; we will continue to participate—under advantageous conditions for our country—in cooperation ventures with international financial bodies by capitalizing on the relative advantages Romania has and observing the principles of reform during the transition period. Last but not least, I favor strengthening financial and fiscal control to combat and limit fiscal tax evasion and smuggling.

National Bank Cuts Interest Rates 10 Percent

AU3011104092 Bucharest ROMPRES in English 1025 GMT 30 Nov 92

[Text] Bucharest, ROMPRES 30/11/1992—A release of the National Bank shows that the average rate of interest practiced by the commercial banks has dropped lately, while the government and the National Bank of Romania made efforts to boost exports and agriculture through credits at soft interest rates. Likewise, some congenial evolutions have emerged in the economy: Industrial production grew for three months on end and exports too, are growing, the level of the economic agents' [companies'] arrears is declining.

Domestic prices took in over September-November 1992 most of the inflationary influences resulting from the declining rate of exchange of the leu and the cut of a part of the subsidies. Likewise, the relatively low level of the money supply limits the inflationary potential.

To encourage the positive evolutions, while maintaining control on the growth of the money supply, the board of administration of the National Bank has decided to cut by ten percent the refinancing interest rate, from 80 percent to 70 percent, as of December 1, 1992.

Also, to the end of speeding up payments in the economy, the penalties incurred by the commercial banks for every day of delay above the normal length shall go up from 0.1 percent to 0.3 percent a day.

These measures are part of a package pursuing a more clear orientation toward indirect mechanisms specific to the market economy, for the balancing of the money demand and offer, and for easing the inflationary pressures. As inflation will decrease, the National Bank of Romania will be able in the months ahead to further cut the interest rates, while permanently seeing to it that they remain at an actually positive level, the release reads.

Defense Minister Discusses State of Army

AU0112085392 Bucharest Radio Romania Network in Romanian 1616 GMT 30 Nov 92

["Exclusive" interview with Lieutenant General Niculae Spiroiu, minister of national defense, by unidentified radio reporter, at the Ministry of National Defense in Bucharest on 30 November—live or recorded]

[Text] [Reporter] Good evening, Lieutenant General Niculae Spiroiu, minister of national defense. We thank you in advance for the kindness you have shown in receiving us. The fact that you acquiesced to this meeting and that our microphones are here, in your office, is proof of a new kind of relationship with the press, which is indicative of a special openness not only toward the press in general, but also toward the Romanian people, the political groupings, the freely elected democratic bodies, and Romanian society in general.

[Spiroiu] Good evening. Indeed, I personally believe that the press can play a very important role, both regarding the opening of the military institution toward the civilian society—a feature that is characteristic of democratic societies—and regarding the assistance the press can lend to the process of revival, modernization, and reform within the Army. Therefore, we have cultivated and want to develop these ties in general.

[Reporter] Lieutenant General Niculae Spiroiu, you were minister of national defense in the Petre Roman and Theodor Stolojan governments and you are now minister of national defense in Mr. Nicolae Vacaroiu's governmental team. What can you say about this continuity at the head of the Ministry of National Defense?

[Spiroiu] First of all, I would like to point out that this continuity depended, so to say, well it represented the will of the state's democratically elected bodies, that is Romania's parliament and of course Mr. Vacaroiu, who put together his team. There were several things that had to be taken into consideration. First of all, I believe that—at the level of our entire society and of the state's democratic leading bodies—there was a desire for stability and continuity at this difficult time of transition, when the reforms in the political, social, and economic spheres usually lead to widespread malfunctioning. Therefore, I believe that there was support for this option of ensuring that the Army remains a stable social subsystem, in which the people can put their trust. Consequently, one can say that a significant argument in favor of this choice was the desire to ensure that the Army, the country's military body, remains stable and that there is continuity in directing these processes of modernization and reform. I can see a further significance in this choice—which is encouraging for me and the staff corps, that is my direct cooperators, state secretaries, the commanders of various categories of armed forces, army commanders, and commanders at all levels—namely that it represents a confirmation of the fact that our work was assessed as good. Therefore, we have confirmation of the fact that we are on the right road, which we want to continue.

[Reporter] When talking about this continuity, you also referred to stability. Of course, the ministry's leadership team makes a particular contribution to the aforementioned stability.

[Spiroiu] Yes, that is so. Last year, at the beginning of March, when I took over the leadership of the ministry, we asked ourselves what problems we should emphasize most, that is, where the spheres of priority are. Then, we decided to give priority to: ensuring the continuity of the Army's leadership, in view of the fact that, in practical terms, all or almost all generals and officers in the ministry's leadership have changed; guaranteeing the stability of the military body, which has been seriously affected by a whole series of destabilizing actions, of which I would like to point out the extremely noxious effect of that wave of exceptional and totally unjustified promotions in 1990; strengthening military order and

discipline, through firm measures against those who failed to observe the provisions of the rules and laws; and fully implementing the combat training programs. This means ensuring the Army's return to its natural duties, that is, preparedness for the country's defense, through military exercises, maneuvers, firing drills, mobilizations, and complex maneuvers, which have not been carried out for some 10-15 years in our Army. Thus, we aimed at returning to carrying out combat training programs, which we strived to make as complex and as large-scale as possible, even within the limitations imposed by the rather reduced resources available to us. At the same time, in order to maintain and strengthen the Army's stability, we approached the issue of social protection in a new way, that is solving the social problems of the military staff. In this respect—with the possible exception of the housing problem—we have scored important results. Nevertheless, I believe that one of the most important elements for maintaining the Army's stability was the fact that we managed to keep the Army outside the political struggle. The military cadres displayed this superior understanding of the situation, for which I thank them. They realized that the best way to protect themselves and the Army, as a social subsystem, is not to become involved in the political struggle.

[Reporter] Therefore, it was a process of the Army's depoliticization....

[Spiroiu] Exactly.

[Reporter] A process that has continued and is continuing, I believe....

[Spiroiu] By that, I mean neutrality toward partisan policy.

[Reporter] And equidistance vis-a-vis all political groupings....

[Spiroiu] Exactly. In this respect, this depoliticization of the Army was started at the beginning of 1990 with the aim of eliminating the structures of the former Communist Party and everything that smacked of party political involvement in the Army. Nevertheless, we later came to the conclusion that this political equidistance of the Army does not mean... well, I personally do not agree with the notion of apoliticism. The Army cannot be an apolitical body. This is impossible. There are countries where the armies are given ongoing political training, something that we must do also. But this should not be mixed up with the political-ideological training that used to be done in our Army during the communist regime. We are talking about political training for disseminating the political platforms of the main parties, the parties represented in parliament. We do not want to turn the Army into a dumb sea, as it was called before the war. The Army is a social subsystem that must become involved in the development of the Romanian society, something that cannot be achieved with apolitical people. Therefore, we do not implement the policy of a certain party. We promote a policy of national defense, but are in touch with the country's political forces, by maintaining an equidistant relationship to all, and particularly by not involving ourselves, the military cadres, in the power struggle. I am talking about the active cadres, of course.

[Reporter] Obviously.

[Spiroiu] The retired cadres are entitled to promote a partisan policy and join or set up a party. Nevertheless, the Constitution stipulates that the active military personnel are not allowed to be involved in politics.

[Reporter] At the ceremony of your reinstallment as minister by Prime Minister Vacaroiu at the Ministry of National Defense, you stated that the Army is only promoting one policy, that is the policy of national defense and security and of respect for the country's Constitution.

[Spiroiu] That is correct.

[Reporter] Well, maybe you should define the Romanian Army's military doctrine.

[Spiroiu] Well, this is not a question of the Romanian Army's doctrine. I would like to make a correction here, namely that military doctrine is a state doctrine, that is, we are talking here about the Romanian state's military doctrine, which is implemented by the Army.

[Reporter] Yes, forgive me for....

[Spiroiu] This doctrine is a defensive one. In this respect, there was a certain continuity, so to say, because we have had a defensive doctrine for almost 20 years. Therefore, for more than 20 years, we have given up the bloc doctrine, that is the doctrine of the Warsaw Pact, and adopted our own, national doctrine, whose essence is its defensive nature. It remained a defensive doctrine of defense sufficiency, which must obviously be of dimensions that are in keeping with the prevailing geographical and political reality and the extent to which international security bodies are operative. There is of course the CSCE process, in which we participate as partners in all activities under the aegis of NATO, the West European Union, and CSCE. Nevertheless, these structures are just now being formed. They are not yet operative, hence they cannot ensure the security we are all striving for. Therefore, one concern of our national military doctrine, which is a defensive one, is to define the meaning of this defense sufficiency. This is the task of military analysts, who study these matters and other security sources, and, on this basis, we work out the provisions of the law on defense, that is the set of laws we submitted to parliament not so long ago.

[Reporter] These days, cutbacks are being made in certain artillery and armored units, which, I understand—you may like to confirm this, even provide details—will tailor them to these sufficiency margins in the sphere of national defense, so as to also conform with a number of international documents signed by

Romania as well. How does this operation proceed and what is the magnitude of these reductions?

[Spiroiu] These limits have already been established, therefore, one cannot change them now, so to say. They ensure the necessary quantities of conventional weapons and technology for a Romanian Army properly equipped for defensive purposes. What I can tell you is that a relatively large number of armored cars and cannons will be dismantled; there are internationally established technologies for this dismantlement, with timetables over a certain number of years. What we are doing now is to test—we also had exchanges with other armies in this respect—the most efficient ways and means to dismantle these categories of military hardware, including armored vehicles, with as little cost as possible, and also by observing the provisions of the dismantlement procedure. Therefore, we first tested the explosion method, so as to reduce energy consumption, particularly when taking apart the armored vehicles. Then, we tested plastic flames, that is oxyacetylene, for cutting purposes. We also plan to carry out other tests, too, so as to find the best technologies for these dismantlement operations, obviously by beginning with the oldest hardware. As I have said before, there are schedules for all these things.

[Reporter] On the other hand, in the enterprises that produce military technology around the country, there seems to be a shortage of orders and a situation that is almost leading to stagnation. Might not the market economy and the reorganization of the large military production enterprises be the source of these disruptions in the production process?

[Spiroiu] Certainly, the defense industry that was set up mainly after 1968 in our country was oversized—and from the point of view of proportions, in certain respects it still bears the mark of the megalomania that characterized the development of certain sectors in our country. But this problem corroborates—so to speak—measures that we are taking in the area of reducing conventional weapons. Currently, our major concern is to convert a certain portion of these defense industry enterprises...

[Reporter] Into civilian industrial units...

[Spiroiu] ...Into civilian industrial units. On the other hand, we fulfilled our orders for the last year. Certainly, there are enterprises in which part of the production belongs to the civilian industry and another part is meant for defense. Sometimes the civilian sector has problems and then the military sector is not always able to take over the social protection of the civilian sector. That is why we have taken measures—and we have already had certain positive results—in the field of retechnologization and conversion in general, that is, we are turning to the production of goods for civilian needs, we are producing consumer goods.

We have achieved certain results. They were presented at the [Bucharest] International Fair. Those who visited the fair....

[Reporter interrupting] ...the stands I visited [words indistinct]

[Spiroiu] Yes, you could see the Radmil, Luciara, those were stands that enjoyed great interest precisely because they presented a wide range of products that are being manufactured within this action of conversion. However, what I want to clarify is the fact that, according to our capabilities we wish to modernize production, meaning that we wish to introduce advanced technology and achieve categories of weapons and military technology that have a higher level of efficiency, and which could be added to the reduced number or the reduced amount of technology approved by treaties. Thus, we want to increase the effectiveness of weapons, of technology, and want to improve the professional training of the military personnel who use this technology, in order to ensure an effective defense.

[Reporter] Minister Niculae Spiroiu, no doubt the reform of the Army and the action of supplying and modernizing military technology requires funds. The training of officers and of the troops, their instruction and the social protection of the Army also requires funds. If our information is correct, it means that the budgetary allotment in general covers about 30-40 percent of the Army's needs. We also know that nobody makes donations to the Army and nobody sponsors the Army, it would not even be good. However, we are aware of the efforts made by the Army itself to ensure its maintenance and its modernization. How does the Romanian Army acquire the funds it needs?

[Spiroiu] Certainly, unfortunately our country's economic situation has not permitted...and it is a more general situation that can also be seen in the countries neighboring us. Nevertheless, I have to admit, as I said in the parliament, that we occupy one of the last places in Europe, as a matter of fact the penultimate place, as far as the budgetary allotment for defense purposes per capita is concerned. Only Albania is behind us from this point of view. That is why certainly we had to debate and search for solutions with this budgetary allotment, which is indeed something like the proportion you mentioned, that is, it decreased from about 50 percent of our needs in 1990 to 40 percent in 1991, and we reached one-third in 1992, maybe a little bit more than one-third, and we stand at around 30, 33, or 34 percent.

First of all we tried to distribute this budget appropriately, meaning that we granted importance to material expenditure, that is expenses that concern the training of soldiers and maintenance of technology and personnel. Certainly, we granted the necessary importance to expenses for personnel, namely to ensure a certain social protection, which is not at the level that it should be, but which nevertheless permits military cadres to lead a decent life and be able to concern themselves with their individual training for defense, that is instruction, and thus to raise their professional level. However, unfortunately the most affected sector is the sector of expenses for our assets. We are not doing very well in this area.

Thus, in practical terms we distributed this budget in a way that permits us to maintain the Army in an operational state, and ensure its capability to be always ready to fulfill a mission that the democratically elected bodies of our state bestow upon it. However, unfortunately, the most affected was this chapter of expenses for assets, which means: the supply of military technology, new constructions—namely garrisons—and unfortunately we are not doing very well in this respect, especially after the earthquakes, and considering the fact that our garrisons are very old. Thus, from this point of view, this is the sector that has suffered the most and certainly we attempted to strengthen this area through certain sales of hardware that became superfluous, but this no doubt has the character of a temporary remedy that we used without the effects that we wished for. That is why I am expecting a better allotment from the future budget, no matter what the situation is. We understand the situation, however we need to receive a better supply mainly in the area of transportation and communication; efforts have to be made to ensure a better supply in these areas.

[Reporter] Minister Spiroiu, we know that the Romanian Army has contacts with the armies of our neighbors, with the armies of European countries, and in general it cooperates with them on a European level, within certain international military bodies. It was also said—and I think justifiably so—that relations between Romania's Army and the armies of neighboring countries have preceded relations between Romania and the respective states. Can the military component give an impetus for developing Romania's relations with various countries, primarily with our neighbors, since that is what interests us mainly?

[Spiroiu] Certainly. We have relations with all these countries, we have concluded accords of cooperation and in order to give you an example of the way in which the military relations exceeded the political relations, that is, preceded political relations, the best example could be the excellent relations that we have with the Hungarian Army, while as yet we have concluded no political accord. We have concluded accords of cooperation that were recently renewed on the occasion of the visit that our chief of staff paid to Budapest. We have an accord that although concluded between our Foreign Ministries, nevertheless involves the two armies within the Open Skies project. I would like to give you another example. As early as 20 December 1991, we achieved a military contact between the Ministry of National Defense—I myself went to Kiev—and the minister of defense of Ukraine, Morozov, while our political relations were not even, so to say, in an incipient phase. You know that precisely at that time Ukraine's foreign minister canceled his visit to Romania.

[Reporter] When he was expected in Bucharest....

[Spiroiu] When we were expecting him in Bucharest, and then, we established these contacts and I could even say that we defused a situation that could have become increasingly tense. Thus, we defused this tension through our presence in Kiev, through this contact we had with the minister of defense, and this was our contribution to eliminating tension in this situation.

[Reporter] Relations with NATO....

[Spiroiu] ...Thus it is true that we have such relations, we have very good accords with the Bulgarian, Greek, Turkish, Albanian Armies. We have an administrative arrangement that we have renewed with the French Army. There are accords that are in full process of being worked out, we have virtually finished negotiations on these accords, and they only have to be signed with the Ukrainian, Polish, Czech, and Slovak Armies. We have excellent relations with NATO. As is known, Mr. Woerner has visited Bucharest twice. But we, the leadership of the National Defense Ministry, myself and the chief of staff, have made three or four visits to the NATO headquarters and to the Supreme Command near Brussels. On the basis of partnership Romania participates in all actions that are included in the working program with the NATO partners, a program that was concluded last spring in Brussels. We also participate as partners in everything that is happening at the level of the West European Union. Therefore, we have a broad opening toward these Western countries, relations that are beginning to be good. I could say that our relations with the U.S. Army are progressing well. An important number of delegations at ground troops, air force, and navy level have visited us. Recently we received the approval of the U.S. Congress, that is, a certain sum of money has been approved so that to begin with we will send a few officers and even civilians from our parliamentary defense commissions to attend managerial and military courses in the United States. Therefore, I could say that we have excellent relations. Certainly, we have also had exchanges at army level with the German Army and with the British Army, thus a broad variety of contacts have brought about a broad opening of the Romanian Army toward the armies of other countries, toward the armies of democratic states, and this is reflected also in the way the Romanian Army day was celebrated abroad this year. The participation of a great number of personalities and defense ministers in the celebration proved precisely the respect that our army enjoys.

I would like to tell you that we also have an agreement with the CIS Army signed with Marshal Shaposhnikov, which is a general accord and, no doubt, this does not prevent us from concluding accords with the other states that belong to the former USSR, the way we have done with Moldova, an accord that I am going to sign in Chisinau.

[Reporter] Minister, you granted us this interview precisely on the eve of Romania's national day. Could you share your thoughts with us now, on Romania's national day.

[Spiroiu] These historical moments, achieved through the struggle and sacrifice of our people and the Romanian Army, which has always been an Army of the people

and which has always served only the interests of the people, are moments that give us strength and revive our patriotic feelings, our love of the country, and our wish to ensure the well-being and security of our people. Thus, these are outstanding moments in the activity that we carry out in the Army, specifically in the field of patriotic education. Such moments, such celebrations—like the act of bringing the body of the unknown hero soldier to Bucharest, with the important contribution of the Army, the festivities that took place, the ceremonies in Marasesti held last summer—all these moments, just like the event of celebrating the anniversary of the Great Union of 1918, strengthen us in our activity of educating the young soldiers and instructing them, to defend the country and to fulfill the missions of the Romanian Army, established by our Constitution.

[Reporter] We thank you for this extensive interview that you granted to our National Radio Station.

[Spiroiu] It was my pleasure.

UNHCR Says Few Countries Want Refugees

LD2611095992 Belgrade TANJUG in English 0011 GMT 26 Nov 92

["Pool" item]

[Text] Brussels, November 25 (TANJUG)—U.N. High Commissioner for Refugees (UNHCR) Sadako Ogata warned on Wednesday [25 November] she was meeting with only partial success in caring for the refugees from the former Yugoslav Republic of Bosnia-Hercegovina because not all Western countries were willing to receive them.

Ogata said this in Brussels, a stopover of an European tour aimed at demanding higher quotas of refugees from Bosnia-Hercegovina, where civil, ethnic and religious war has been raging for over seven months between the local Serbs, Moslems, and Croats.

At least 12,000 people were imprisoned in the camps in Bosnia-Hercegovina according to the UNHCR. However, Ogata warned not all of them could be freed because there was a lack of willingness in the Western countries to receive them.

An exception was, she said, Switzerland, which, as she said, although a small country has so far accepted 1,500 former prisoners from Bosnia-Hercegovina, and will soon secure shelter for another 1,000 persons currently in prison camps in Bosnia-Hercegovina.

Ogata added that her office would continue sending aid to Bosnia-Hercegovina despite the recent attacks on the convoys with humanitarian aid. She said this must be done by the HCR, because aid was indispensable.

Owen Against Division, Military Intervention

LD2511173292 Belgrade TANJUG in English 1625 GMT 25 Nov 92

["Pool" item]

[Text] Madrid, Nov 25 (TANJUG)—Cochairman of the Geneva conference on the former Yugoslavia British diplomat Lord Owen on Wednesday [25 November] ruled out the possibility of a military intervention in Bosnia-Hercegovina and said he was opposed to the division of the former Yugoslav republic into three geographic-ethnic units.

After talking to Spanish Prime Minister Felipe Gonzales and Foreign Minister Javier Solana about the crisis in the former Yugoslavia, Lord Owen told journalists that the situation in Bosnia-Hercegovina was difficult and complicated but that there was still hope that a political solution would be found.

Lord Owen said economical and political pressures on Yugoslavia would continue in order to end the war in Bosnia-Hercegovina and that, in that context, the sanctions, or more precisely, their strict implementation, would be insisted on.

The United Nations Security Council introduced sanctions against the Federal Republic of Yugoslavia (F.R.Y, made up of Serbia and Montenegro) on May 30 because of its alleged involvement in the Bosnia-Hercegovina war.

Bosnian Croats and Moslems, aided by regular units of neighboring Croatia and foreign mercenaries, have been fighting the local Serbs for eight months now. The F.R.Y is not militarily involved in this ethnic war.

Bosnian Serbs and Croats have proclaimed their own state communities within Bosnia-Hercegovina's administrative borders.

Lord Owen said that U.N. would enhance its engagement in Bosnia- Hercegovina, particularly in the field of humanitarian aid.

As regards the Macedonian issue, Lord Owen said it was being discussed again and that it would be on the agenda of the E.C. Edinburgh summit in December. The E.C. will again focus its attention on the Yugoslav crisis at the Edinburgh summit.

Sarajevo Reportedly Under Fire From Serbs

AU0112103192

[Editorial Report] Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian at 0900 GMT on 1 December carries in its regular 12-minutes newscast several reports on the fighting in the republic.

The announcer starts the news by saying that "overnight, some parts of Sarajevo were exposed to heavy enemy artillery fire, and Colonel Siber, deputy commander of the Supreme Command [of the Bosnia-Hercegovina Army], delivered a strong note of protest to the UN commander for Sarajevo, Egyptian General Razek, demanding that adequate measures be taken against the aggressor. The protest note also says that overnight the aggressor shelled the airport runway with mortars and howitzers, with the intention of destroying the radar system and thus stopping the humanitarian aid flights."

In his report from Sarajevo, Jovo Jovanovic says that "contrary to the relatively quiet night, since the early morning hours the district of Novi Grad has been shaking with the reverberations of heavy artillery explosions. As some telephones in Sarajevo are out of order this morning, it is difficult to determine from which directions the aggressors are attacking, but from the information we have managed to gather so far, the heaviest shelling is in Stup, Stupska Cesta, Dobrinja, and Alipasino Polje."

Hajrudin Sermic reports from Maglaj on a "relatively quiet night marked by sporadic fire from infantry weapons, chetnik snipers, and antiaircraft guns and

machine guns. Tanks, mortars and grenade launchers are occasionally being used against our defense positions this morning, but these remain firmly in the defenders' hands."

Reinforcements Said To Be Arriving From Serbia

AU0112115192

[Editorial Report] Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian at 1000 GMT on 1 December carries in its regular 5-minute newscast two reports on the fighting in the republic.

Hamid Deronjic reports from Brcko that "last night was marked by intensive fire from artillery weapons against the positions of the 108 Brcko Brigade, and the hurried reinforcing and regrouping of the enemy forces. Last night at about 1900, the enemy heavily shelled our positions in Rijeka. From the chetnik positions in Potocari, 155-mm shells were fired at this region." He says that "Pelagicevo, the lair of the Serbian terrorists, from where the chetnik howitzers have been pounding Gradacac, Brcko and [word indistinct], is being hastily reinforced. Last night at about 2130, the radar systems of the 108 Brigade's antiaircraft defense units registered transport helicopters flying from the direction of Bijeljina toward Pelagicevo."

The Gradacac Information Center reports on a very poor line on "the enemy bringing fresh forces from the direction of Brcko, and convoys of trucks and trailers arriving from Modrica via (?Milosevac)." The report says that "the chetniks cannot reconcile themselves to the fact that even after seven months they still have not occupied this town and thus secured a wide corridor between Serbia and Krajina. New forces are being called up, mostly from Prijedor and Banja Luka and recently, to judge by papers found on dead Chetniks, also from Nis, [word indistinct], Zajecar and other towns in Serbia."

Belgrade Radio Reports on Fighting in North

AU3011180092

[Editorial Report] Belgrade Radio Beograd Network in Serbo- Croatian at 1400 GMT on 30 November in its regular 31-minute newscast carries several reports on fighting in Bosnia-Hercegovina.

Vlado Trisic reports from the Majevica area on "occasional artillery and infantry provocations in the (?Bajen) Brdo area this morning. Muslim forces opened fire on Serbian positions there, but judging from the latest reports from the field, there have been no major battles. It is relatively calm along the other dividing lines as well. This was confirmed by the commands of all Majevica brigades at about 1300 today."

Reporting from Brcko on "sporadic fire" there, Bosko Lomovic says that "the Serbian fighters were hit by 82mm and 120mm mortars as well as 76mm [word indistinct]. These attacks were fiercely responded to and the enemy weapons soon silenced, we were told by Lieutenant Colonel Drago Samardzija, commander of the 17th Light Infantry Brigade."

Reporting from Kljuc, Gojko Dacic says that "before the truce took effect, Muslim-Croatian forces had tried to improve their positions around Brcko. Their antiaircraft machine-gun fire from Donji Rakic showered the Pljostare area. With classical and multiple rocket launchers they attacked Serbian positions in the suburb of Grbavica. About 40 projectiles exploded on that occasion, but defenders did not suffer any casualties. A strong infantry assault on Grbavica was attempted during the night, but it failed, so things calmed down in the morning hours."

Banja Luka correspondent Brane Bozic reports on the Sava basin corridor being "a site of new clashes today as well. Battles around Gradacac began at 0930 when Muslim forces carried out a strong infantry assault on the Begovo Brdo area that they had lost three days ago. The battles are continuing. Battles resumed around Orasje at about 1000, but there is considerable confusion on this battlefield. It seems that there has been a dispute between members of the regular Croatian units and the Croatian Defense Council."

Milan Pantovic reports about infantry battles in villages around Bihac, saying that "during the infantry battles, artillery fire and fire from heavy mortars was directed at Serbian villages around Bihac, so that Serbian houses in Pritoka and other villages were destroyed today again. At the same time, enemy activities also have intensified on the battlefield near Krupa, where Muslim forces tried to cross over to the right bank of the Una. The attack was repelled and the enemy pushed back to his original positions on the left bank."

Serb Supply Line Reportedly Cut in North

LD3011154092 Zagreb Radio Croatia Network in Serbo-Croatian 1400 GMT 30 Nov 92

[Text] Units of the Croatian Defense Council [HVO] and the Bosnia-Hercegovina Army continue successful actions in the area of Usora and Tesanj. After the aggressor's offensive was thwarted, special units began successful sabotage actions in the temporarily occupied area. They destroyed some of the communications equipment on the Doboj-Prnjavor road, and thus prevented a possible advance of tanks. At the same time, they cut the supply line to the front of the enemy lines.

Reconnaissance units of the HVO have noticed, however, that the enemy is still bringing in fresh equipment and forces from the Novi Sad Corps and are regrouping the units that are still there. The defenders suffered two dead and two wounded fighters.

Evidence of Attempt To Break Siege Growing

AU0112075192 Paris AFP in English 0300 GMT 01 Dec 92

[Text] Sarajevo, Dec 1 (AFP)—Moslem and Croat forces are poised to go on the offensive in a bid to break the siege of Sarajevo from the south, converging reports indicated here on Monday [30 November].

The reports said the troops were massed on Mount Igman, about five kilometers (three miles) south west of the Bosnian capital which is besieged by Serbian forces.

"About 15,000 men are grouped on Mount Igman armed with several dozen big guns as well as T-34 and T-55 and Leopard-I tanks," a well-informed source in the United Nations Protection Force (UNPROFOR) told AFP.

"They may try to get through to Sarajevo in the next fortnight by attacking the key Serbian position at Ilidza," an area at the foot of the mountain next to the airport controlled by U.N. forces, said the source who asked to stay anonymous.

Rumours of an impending big offensive by the Bosnian forces have been in the air for several days, fuelled by reports that Sarajevo hospitals have been discharging as many patients as possible to free beds for casualties.

Witnesses confirmed that many patients had been sent home before having properly recovered from their illness or injuries. In recent months, each time the Bosnian forces have launched an offensive, the hospitals have taken similar measures to make room for an influx of new admissions.

In an interview published Monday in the daily OSLOBODENJE, the regional military commander in Sarajevo, Mustafa Hajrulahovic, confirmed that preparations for an offensive were underway.

"The operation to break the siege will be on a massive scale and intensive preparations are under way.... We will attack when we are in a position not just to break the siege but to go further," he was quoted as saying.

The troop build-up on Mount Igman has been going on for some months but the presence of artillery pieces and tanks appears to be a more recent development, according to informed sources.

The forces are from the Bosnian regular army and from the Croat Defence Council (HVO). A number of Bosnians are said to have rallied the HVO behind Juka, an ex-convict whose success at the head of his private army put him at odds with the Bosnian army command.

Juka, the former commander of the Bosnian "special forces," fled Sarajevo in September after a row with the army leadership. A warrant was issued in October for his arrest.

Mount Igman, which overlooks the airport, is on the fringe of Croat-held territory and is firmly defended by the Bosnians. Since the siege of Sarajevo began in April, the Bosnians have attempted three offensives, on June 2, July 31 and August 20, all of which failed within days under a barrage of Serbian artillery and with heavy loss of life.

The U.N. source said there was nothing to indicate that a new offensive would have any more success.

UNPROFOR observers said the Bosnians had the men but were badly organised and short of guns. The Serbian secessionists on the other hand had the structured command and weaponry of the old Yugoslav Federal Army but did not have enough men to consolidate territorial gains.

Since the outbreak of the conflict, the Bosnian army has been trying desperately to obtain heavy weapons but does not appear to have succeeded up to now, mainly because of reticence on the part of Croatia through whose territory the arms have to transit.

However on November 1, the presidents of Bosnia and Croatia agreed to step up military cooperation in exchange for a bigger role for Croats in Bosnia's political structure.

Meanwhile, reports from Zagreb said Serbian forces were preparing "the biggest offensive to-date" against the Moslem enclave of Bihac in Bosnia's far northwest.

The Croatian and Bosnian joint military command in Bihac, quoted by HINA news agency said two Serb battalions from Drvar and a Serbian brigade from Kljuc to the north were about to attack Bihac.

They said the goal was to "make the junction" between the Serb-controlled Krajina regions in Croatia and Bosnia.

Yugoslavs, Croats Meet, Discuss Various Issues

AU2711190692 Zagreb NOVI VJESNIK in Serbo-Croatian 20 Nov 92 p 1

[HINA report: "What Was Negotiated in Sremska Mitrovica?"]

[Text]—At the meeting between the members of the Croatian delegation of the Interstate Committee of the Republic of Croatia and the "Federal Republic of Yugoslavia", the Croatian members of the five committees for the normalizing of relations between the Republic of Croatia and the Federal Republic of Yugoslavia discussed with their Yugoslav counterparts the reports from the constituting meetings of their committees held on 13 November in Morovic near Sremska Mitrovica. Subsequent meetings of the five committees should take place in Croatia by the end of November.

As was said at the meeting of the members of the Croatian delegation and the Croat committee representatives held on 17 November in Zagreb, the Croatian delegates in the Mixed Committee for Transportation and Communication proposed the opening of five border crossings between the Republic of Croatia and the Federal Republic of Yugoslavia, namely between Slavonia and Vojvodina, as well as two border crossings between Croatia and Montenegro. The "Yugoslav" delegation proposed opening only one crossing, the one between Vojvodina and Croatia, located on the highway.

The "Yugoslav" representatives spoke in favor of establishing telecommunication links from Belgrade to Slavonski Brod, and from Slavonski Brod to Zagreb. At the request of the Croat representatives who pointed out the necessity of establishing telecommunication links on the whole territory of the Republic of Croatia, including those territories under UN protection, the Yugoslav delegation stated that it had no influence over the local Serbs in these areas nor was it authorized to negotiate in that direction.

As regards monetary transactions, the Croat representatives requested that before discussing the normalization of monetary transactions between the Republic of Croatia and the Federal Republic of Yugoslavia, all accounts from the occupied areas located in Belgrade, as well as the Public Accounting Service office in Knin should be closed. The "Yugoslav" delegation concluded that all monetary transactions from the so-called Krajinas that are linked with Belgrade, will have to be terminated after the mutual recognition of the respective states.

Other topics discussed were: pensions, succession, refugees, and humane residence relocation. The Croatian delegation insisted how it was hardly in the spirit of normalization that Serbs were returning to Croatia, whereas Croats were prevented from returning to the UN Protected Areas and to the Federal Republic of Yugoslavia.

Knin Serb Says Austrian Goods Reaching Krajina

AU2611152792 Vienna Oesterreich Eins Radio Network in German 1100 GMT 26 Nov 92

[Report by Fritz Pessata from Knin]

[Text] In the recent history of the former Yugoslavia, which is rich in peculiar aspects, the Republic of Serbian Krajina, as it calls itself, on Croatian territory is a special case. With 13,700 square kilometers—which is less than one-fifth of Austria's territory—and a population that is about twice as large as that of Burgenland province, this region around the capital of Knin claims the same right as, for instance, Slovenia, Croatia, the new Yugoslavia of Serbs and Montenegrins, Macedonia, and the Serbs who live in Bosnia.

As a visit to Knin shows, the Serbs here are willing to fight again for their self-declared independence, if necessary. This is also the reason for the people's bitterness when UN mediators Cyrus Vance and David Owen recently told them quite unambiguously that their self-declared republic is part of Croatia.

Boris Martinovic, a Serb from Slovenia and adviser of parliament and of the president, who is also responsible for the relations with the UN troops here, describes the feelings of his compatriots after the visit by the two UN mediators as follows:

[Begin recording, in Serbo-Croatian with superimposed German translation] The people were outraged, because we are not a part of Croatia. Furthermore, any nation, including ours, has the right to self-determination. In addition, no statement like that one can nullify international documents, such as the Vance plan. [end recording]

Martinovic counters the argument that the new Croatian Constitution envisages comprehensive rights for the Serbian minority by saying that these rights were included in the Constitution only because of massive international pressure and, therefore, are not really accepted by the government in Zagreb.

The president's adviser describes his republic's relationship with the UNPROFOR [UN Protection Forces] as good. However, if the Croats were not to stop their provocations, as he calls them, of sending their refugees across the border into Krajina, it would be necessary to turn to the United Nations with the request for a political situation.

In fact, in the past there were several attempts, supported by the government in Zagreb, to send large groups of Croatian refugees back to their territories, which have now become Serbian. Before the war, far more than 100,000 Croats lived in this area, in the hinterland of the Dalmatian coast between Zadar and Split, who have now largely been driven away or have fled.

Adviser Martinovic also reports astonishing things about his republic's foreign trade. He repeatedly assures the

incredulous Austrian reporter that, in addition to foodstuffs and pharmaceuticals from Serbia, Bulgaria, and Hungary, technical goods from Austria also reach the country through the corridor from Belgrade.

Boris Martinovic, who lost all his relatives in the war, is not particularly worried about the future of this self-declared Serbian state, which is surrounded by Croatia in the north, the west, and the south. His view of the future is clear:

[Begin recording] In 1990 we Serbs in Krajina wanted cultural autonomy. We did not get it. Instead, we were imprisoned. In 1991 we wanted territorial autonomy. We got the war. In 1992 there is an independent state. This will be a fact also in 1993. [end recording]

If the United Nations were to withdraw from here before there are negotiations between Croatia and Serbia about this republic of Serbian Krajina, it may very well be that here, where the Croatian-Serbian war started in 1991, weapons will be heard again.

Diplomatic Relations Established With North Korea

LD3011172792 Zagreb Radio Croatia Network in Serbo-Croatian 1400 GMT 30 Nov 92

[Text] We will begin the foreign news with the news that Croatia and the Democratic People's Republic of Korea established diplomatic relations. A statement on the establishing of diplomatic relations between the two states was signed in the Croatian Foreign Ministry this morning. In talks between the two delegations, it was stressed that the establishing of diplomatic relations is only the first step which will contribute to the development of other relations, especially economic ones.

Poll Results on Building Nuclear Power Plants

93BA0225A Split SLOBODNA DALMACIJA in Serbo-Croatian 14 Nov 92 p 9

[Article by Damir Strelov: "The Nuclear Power Plant: Who Has the Last Word?"]

[Text] At the very mention of the possibility of building a nuclear power plant in Croatia, that is, from the moment its construction was not precluded, an avalanche of discussion was raised over the advantages and shortcomings of nuclear power plants and other choices of energy. What an urgent topic this is is indicated by the large number of articles and interviews with well-known and authoritative people who have been presenting the advantages and shortcomings of such an undertaking. It is possible that one and the same statement would not assume the same significance coming from any other person than the prime minister Hrvoje Sarinic, who represented himself in his first interviews as a man who has experience when it comes to building nuclear power plants. That is probably why many people took the mention of a nuclear power plant more as preparing the public and announcement of its construction than as only one possibility which should not be irrationally rejected in advance. According to the results of a poll done by PULS in four Croatian cities (Zagreb, Osijek, Split, and Rijeka), a convincing majority of the citizens asked (79.5 percent) in those cities do not agree to construction of a new nuclear electric power plant in Croatia. Because humanity has already had occasion to feel on its own skin the nuclear effects, beginning with the consequences of radiation from the atomic bomb to the uncontrolled leakage of radiation from the reactors of present-day nuclear power plants, which are far easier to put into perspective than the slow, but certain pollution from thermal electric power plants, this kind of rejection of construction of a nuclear power plant in Croatia is quite understandable.

When any power plant is built, aside from the technological and scientific issues, certain others also arise, for example, the political and strategic issue (the advantage of tourism or the power plant), and when a nuclear power plant is to be built, there are certain special issues that arise: for example, the scientific-moral issue. (Does it make sense to build a nuclear power plant when the problem of disposing of radioactive waste has not yet been solved?) Finally, there is the inevitable question of the consent of the public to construction of a nuclear power plant. As matters now stand, it seems that the nuclear lobby will have more problems with the consent of the public than with the lack of money for such a construction project.

In addition to this statement, the Sarinic government has also taken certain specific decisions that have to do with regulating economic and social welfare issues in the country. Because inflation is in full flight, the economy is on its knees, and there is intolerable pressure from hungry and uncared-for refugees, and the state budget has not been covered, restrictive measures might well have been expected. However, aside from the moderateness and appropriateness of the measures adopted, it is also important that this additional tightening of the belt is seen as temporary. According to the PULS survey, in answer to the question of whether they think that the new measures of the government will soon bring about an improvement in living conditions, 15.7 percent of the citizens in those cities believe there will be an improvement soon, while 49.4 percent do not have that impression. Approximately 35 percent do not have a definite opinion on this. Belief in a better future is an important psychological and motivational factor for getting the economic flywheel going from a dead stop at the bottom and ought to be an integral part of the package of economic measures. Closely bound up with economic recovery is the current restructuring of socially owned enterprises. Private initiative should give a new thrust to what were previously socialized enterprises. However, the process of transformation is a very complicated operation, and it is difficult to find a model of transformation that will be altogether painless and acceptable for all interested parties. According to the results of this

PULS survey, 59 percent of the citizens agree completely or mainly with the argument that has been expressed in public that the transactions to transfer enterprises are "full of suspicious operations and are mainly going to the advantage of the ruling elite." About 16 percent are not certain of the truthfulness of this assertion, while only 8.1 percent reject the possibility of major misuse of funds to the advantage of a small elite group. Approximately 17 percent could not answer the question because they felt they were not sufficiently informed about the problems of transformation of enterprises. So, it seems that the operation of transformation of enterprises, which in any case is demanding and delicate, is burdened not only with the occurrence of certain scandals, but also the impression of more than half of the citizens that transformation is being carried out unfairly.

However, from the standpoint of the difficult social position of a majority of the citizens, who frequently do not have the opportunity to participate to any great extent in buying their own enterprise, that position might to some extent have been expected.

Do you support the announcement of construction of new nuclear electric power plants in Croatia in order to solve the energy crisis?

Opinion	Percent
No	79.5
Yes	13.2
Do not know	7.3

Do you believe that the economic measures of the government will soon bring about an improvement in the conditions of life?

Opinion	Percent
No	49.4
Yes	15.7
Do not know	34.9

UN Troops Have 'Become Unwelcome' in Krajina

93BA0217D Zagreb VECERNJI LIST in Serbo-Croatian 17 Nov 92 p 6

[Article by S. Feric: "The 'Blues' Are Unwelcome in 'Krajina'!"]

[Text] Sibenik—Urgent and thorough change of the Vance Peace Plan and a rigorous "correction of the border between Serbs and Croats in northern Dalmatia" are the most recent demands of the Knin occupation authorities which have been addressed to the United Nations and arose out of the suddenly altered position toward the UNPROFOR [UN Protection Force]. The Blues have overnight become unwelcome in "Krajina."

Welcomed with brandy, Serbian flags, roast lamb, and "state" honors, celebrated with soccer games, the Blues have become "a force which has trampled on the dignity of the Serbian people" and an "anti-Serb creation established by the CIA and Muslim fundamentalists in order to subjugate and erase Orthodoxy. That is what the 'Krajina states' are asserting in programs over Knin Radio."

The change in Knin's attitude toward the UN peacekeeping forces, and indeed even toward the Kenyan battalion, whose work (or lack of it) caused an avalanche of protests from the Croatian side, resulted from the somewhat more consistent implementation of the Vance peace plan. The "incidents" in Musapstan, where the Blues removed the insignia of the Republic Krajina, and on the bridge between Bosanska and Stara Gradiska, where Milan Martic was detained and some of his escort disarmed, are only the drops which made the cup overflow and drove the Knin terrorists to resort to the old and trusted "weapon"—moaning because of "threatened" Serbs. But now the whining of the Belgrade lackeys does not get the attention even of members of the UNPROFOR, who for the first time have openly said that reestablishment of Croatian authority in the "pink zones" is being thwarted by the Knin "authorities" and the so-called local police, which is refusing to withdraw. The disarmament and establishment of checkpoints between the UNPROFOR and so-called local police in the Sibenik, Drnis, Benkovac, and Sinj regions have gone no further than the intention, but the very insistence on implementation of those parts of the peace plan has aroused stormy reaction in Knin.

What, then, is "Krajina" demanding? Amendment of the Vance Plan and a new resolution. But the cry from Knin is at the same time a warning: Dissatisfaction with borders could be the reason for a new aggression against Croatia.

HSLS on Dissatisfaction With Media, Economy

93BA0217B Zagreb VECERNJI LIST in Serbo-Croatian 18 Nov 92 p 5

[Article by D. Ivankovic: "Public Control of Croatian TV!"]

[Text] Zagreb—The unsatisfactory situation in the Croatian media and Croatian economy was the topic on which the HSLS [Croatian Social Liberal Party] organized a press conference.

Bozo Kovacevic, HSLS chief secretary, and Mislav Kukoc, HSLS chief, said it was intolerable that the Council of HTV [Croatian TV], which was supposed to oversee the work of the most influential media institution in Croatia, has still not begun its work. The HSLS will initiate a broad drive to establish the accountability of people who are holding up establishment of accountability and oversight of that institution. If the HSLS is unable to do this by parliamentary means, it will so inform international institutions and engage their help to protect the freedom of the media. M. Kukoc said that one consequence of this kind of operation of HTV is

marginalization of the opposition, and he said that HTV continues to be the "video herald of the HDZ [Croatian Democratic Community]." HTV has also been a means of insulting the opposition leaders, as in the case of the film about Bruno Busic. In the HSLS, they say that the opposition should be given one of the channels or that the director should come from the opposition.

Goranko Fizulic, parliamentary deputy, presented the 13 points of the anti-inflation program. Fizulic compared the present situation with the situation in 1989 and the policy of Ante Markovic [former federal prime minister]. The position of the HSLS is that the way out should be sought in a fixed exchange rate of the dinar against the mark and the exchange rate should be frozen at 10 percent above the black market rate in forming the foreign exchange market, to which all natural and juridical persons would have access, and it would be administered by the Zagreb Stock Exchange. The discount rate of the NBH [National Bank of Croatia] should be 5 percent higher than the rate of inflation. Prices should be formed freely except for prices of monopolists, and the turnover tax should be abolished and a tax between 18 and 25 percent introduced. Wages and salaries should be paid in gross amounts, bonds of the Republic of Croatia should be offered as a minimum on old savings and could be used to buy into pension plans and increase the base on which pensions are awarded. One of the ideas in this program is that Croatia become a "tax paradise" like Ireland, Malta, Andorra, and certain island countries. Croatia would not get much money thereby, but international financial circles would get a better picture of it.

The HSLS is dissatisfied that the agenda for the next session of the Croatian Assembly does not include topics which the government promised: the political-security situation and transformation of property. The HSLS is also in favor of amending the law on nationality and of applying a two-round majority election system in the parish elections.

Drazen Budisa, the party's president, is in Budapest conducting talks with related Hungarian parties.

Minister, Israeli Premier Discuss Cooperation

AU3011185992 Ljubljana Radio Slovenia Network in Slovene 1430 GMT 30 Nov 92

[Vojko Plevel report]

[Text] The meeting of Slovene Finance Minister Mitja Gaspari with Israeli Prime Minister Yitzhaq Rabin was definitely also a reflection of Israel's evident interest in strengthening Slovene-Israeli relations and upgrading them from what is at the moment still mostly on the political level to the economic level also.

With this in mind, Rabin gladly accepted an official invitation to visit Slovenia. Both sides still have to find the most suitable date for the visit.

The strengthening of economic relations between the two countries after the establishment of diplomatic relations in May 1992 was the main purpose of the entire meeting. It was thus agreed in talks with Israeli Economic and Planning Minister Shetrit that the countries will compile several bilateral agreements to be signed in the shortest possible time, especially one to avoid double taxation and another protecting foreign investments, which would form the basis for a more active exchange of goods, capital, and services. The opportunities for this are not lacking. They range from cooperation in the sphere of tourism—where so far the most has been accomplished—to the advantages that Koper harbor and regular air routes offer for the transport of Israeli goods and to possible successes for the Slovene textile, furniture, shoe, and steel industries on the Israeli market. There is also cooperation in high technology, where, because of the compatibility in size and high degree of development, Israel seems to the present Slovene Government to be a particularly suitable partner .

Israeli Finance Minister Shohat, among other things, promised Israel's support for Slovenia to become a member of the International Monetary Fund and expressed his willingness to offer technical assistance in the development of the Slovene securities market.

During his visit to Israel, Finance Minister Gaspari also met with prominent Israeli economist Bruno, who became famous a few years ago when he effectively cured what was at that time Israeli hyperinflation. Gaspari invited him to cooperate officially with the Slovene Government as its extraordinary adviser on economic affairs. Bruno expressed willingness to undertake this task as soon as his present obligations with the university cease in May 1993.

Ministry Denies Secret Border Pact With Italy

LD3011173492 Belgrade TANJUG Domestic Service in Serbo-Croatian 1401 GMT 30 Nov 92

[Text] Ljubljana, 30 Nov (TANJUG)—The Slovene and Italian foreign ministers, Dimitrij Rupel and Emilio Colombo, did not reach a secret agreement on a possible redrawing of sea and land borders between Slovenia and Italy at a meeting in Graz. This is stressed in a statement by the Slovene Foreign Ministry regarding articles in the Italian press that a revision of the Osimo Treaty had been reached at the expense of Italy.

The Slovene Foreign Ministry also denies articles in the IL GIORNALE daily about a secret agreement, asserting that these "are fruits of journalistic or other imagination." Slovenia is ready to consider all problems with Italy, apart from the issue of borders, which it considers inviolable, the Slovene Foreign Ministry says.

Democrats Seek Cooperation With 'Little Coalition'

AU2011084792 Ljubljana Radio Slovenia Network in Slovene 1430 GMT 19 Nov 92

[Text] After the elections, the Democratic Party would favor closer cooperation with the parties of the little coalition [Democratic Party, Social Democratic Party, Socialist Party, the Greens] which formed the present Government, the party's president Igor Bavcar stressed at today's news conference. The party's vice president Dr. Dimitrij Rupel particularly warned that Slovenia must not lag behind in the integration with Europe, while the presidential candidate Jelko Kacin said that, in the peoples' opinion, he had performed all his duties outstandingly well and that he would also do so as a president. Sandi Frelih reports from the news conference:

[Begin recording] Igor Bavcar emphasized that the voters are opting for the parties of the political center while reliable public opinion polls show that the Democrats are one of the parties that will crucially influence Slovenia's future. After the elections, this would be accomplished in a closer cooperation primarily with the Liberal Democratic Party. Here, Bavcar did not deny this being already discussed with the Liberals and the parties of the little coalition. Within this coalition, the Democrats would not reject talks and cooperation on joint projects even with the Christian Democrats and the Social Democratic Reformists, especially on human rights and social issues.

Warning that we must not lag behind in European integration, Dr. Rupel mentioned the selfishness of some of the parties that are saying abroad that the present government cannot be trusted or that no investments should be made in Slovenia at present. According to Rupel, Slovenia must gain credit in foreign affairs also by being active in resolving the situation in Bosnia-Hercegovina.

Jelko Kacin says that he is still a member of the Democratic Party but that he intends to be the president of all Slovenes. Quoting peoples' opinion, he said that even thus far he had performed his duties outstandingly well. He intends to concentrate his efforts on preserving jobs, reducing unemployment and state expenditure, especially military expenditure, and improving infrastructure, which is already hindering economic development.

He is disturbed by the mutual slander by the presidential candidates in the electoral campaign. When told that he himself is not immune to this, he replied that he was merely answering peoples' questions about his opinion of his rivals.

Christian Democrats Present Economic Platform

AU3011203892 Ljubljana Radio Slovenia Network in Slovene 1430 GMT 30 Nov 92

[Excerpt] The Slovene Christian Democrats [SKD] presented at a news conference today their economic platform titled For Slovenia's Welfare. The first speaker was SKD President Lojze Peterle, who reviewed recent party activities and praised the rally in Maribor, which was also attended by [Austrian] Styria Governor Josef Krainer.

Igor Umek, member of the SKD economic commission, then presented the basic goals of the platform: rapid and sustained economic development, a rapid increase in employment, implementation of a market economy and law-governed state, and introduction of the Christian ethos into business.

The SKD favors development of small and medium-size companies, crafts and service industries, family farms, quality tourism, infrastructure development, and environmental protection.

To overcome the crisis, it is necessary to balance the budget, reduce public spending, reduce public debt, establish normal market relations, and permanently lower inflation to the European level. [passage omitted]

Cooperation Signal From Liberal Democrats Sought

AU3011205692 Ljubljana Radio Slovenia Network in Slovene 1430 GMT 30 Nov 92

[Excerpts] The Democratic Party will use its reputation and good name to halt the worrisome campaign attempts to manipulate nationalist sentiments. Ethnic cleansing, as envisioned by the parties with nationalist orientations, would lead toward a situation similar to the one in the Balkans, delay integration with Europe, and bring instability to Slovene politics. In any other country the highest state authorities, which in our case is the Presidency, would move in such circumstances and warn people of the consequences of stirring up chauvinism. [passage omitted]

The government coalition, which the Democrats helped consolidate, should bear in mind that a coalition does not merely mean a mathematical calculation aimed at securing 51 percent of the votes. It is primarily a matter of qualitative cooperation by the parties with congruent programs. Therefore, the Democrats also are surprised that as of today they still have not received a clear answer from the Liberal Democrats regarding cooperation after the elections. This indicates to the voters what kind of an alliance will take place after the elections and even more that [Prime Minister] Janez Drnovsek already identifies himself with the new prime minister-designate of the next government, which will, of course, be another coalition.

Drnovsek Reaffirms Economic Policy

AU3011194092 Ljubljana Radio Slovenia Network in Slovene 1430 GMT 30 Nov 92

[Text] In a public statement today, Slovene Prime Minister Janez Drnovsek said that pressure on the government has been growing recently to give ground in implementing the basic economic policy and take measures that would exceed the budget and generate rampant inflation again. As the statement says, obviously these pressures stem from the assumption that the government, that is to say the parties that formed it, will be more favorable to loosening budgetary and anti-inflationary policies prior to the elections. Some parties are even taking advantage of the trade union demands to promote themselves in the campaign. This does not represent sincere effort to improve the standard of living but is rather a cheap play for political favor, as these parties would not assume the responsibility for the harmful consequences of those proposals.

Drnovsek reaffirmed that until his last day in office, his government will implement economic policy based on professional expertise and not political demagoguery.

Federal

Panic Officially Announces Presidential Candidacy

LD0112121592 Belgrade TANJUG Domestic Service in Serbo-Croatian 1101 GMT 1 Dec 92

[Text] Belgrade, 1 Dec (TANJUG)—At a meeting held in Belgrade's Hajat Hotel, Federal Prime Minister Milan Panic today officially began his election campaign. He said that it was time for changes and, therefore, he became a candidate for Serbian president.

He stressed that after two years it turned out that current Serbian President Slobodan Milosevic did not keep his promises because the economy is in a state of collapse, inflation is out of control, unemployment is in a dazzling increase, children have no future, and the country has become the victim of sanctions and is isolated from the entire international community.

Panic said that he was "convinced that we will succeed only if Milosevic is removed from his position," and he explained that he was offering a program for economic recovery, reconciliation, and hope in the future.

Panic Expects 'Greater Understanding' From Clinton

LD3011122292 Belgrade TANJUG in English 1155 GMT 30 Nov 92

[Text] Sofia, November 30 (TANJUG)—Yugoslav Prime Minister Milan Panic said he expected "much greater understanding for the Yugoslav crisis from new U.S. President Bill Clinton," in an interview to the Bulgarian paper DEMOKRATSIA.

Asked where his next "peace mission" would take him, Panic said that he was going to visit the former Yugoslav Republic of Bosnia-Hercegovina again, in order to talk with politicians "on whom peace depended."

For over seven months war has raged in Bosnia-Hercegovina between Moslems and Croats helped by the regular Croatian Army and mojahedin fighters from Islamic countries on their side and Bosnian Serbs on the other, because of differences over the state organization of the future Bosnia-Hercegovina.

Panic told DEMOKRATSIA that "the return of socialism and its politicians" could result in a great new tragedy which would definitely "kill Yugoslavia."

Panic Says Western Sanctions Help Milosevic

AU0112104792 Vienna DER STANDARD in German 1 Dec 92 p 3

[Interview with FRY Prime Minister Milan Panic by Andrej Ivanji in Belgrade; date not given: "Western Pressure Helps Milosevic"]

[Text] [Ivanji] You will run against Slobodan Milosevic in the [Serbian presidential] elections [on 20 December].

[Panic] Students have called on me to do that. President Dobrica Cosic would be better suited for that, but he has health problems and I have a greater fighting spirit. The precondition for having the sanctions against Yugoslavia lifted is the victory of democratic forces in the country, and I will do everything for that. I think that the entire opposition will be behind me and also part of the Socialist Party of Serbia. All the polls support me, because the alternative would be bad. The mood in Serbia also favors change, and I will struggle for that and win.

[Ivanji] You are considered to be a man of peace. But you are accused of making promises that you cannot keep.

[Panic] When I took over the office of Yugoslav prime minister, everyone spoke about war. Now everyone speaks about peace, even Milosevic. There are no battles in Croatia anymore, and we have established contact with the Croatian Government. The intensity of the war in Bosnia has declined by 80 percent. I exert great influence in Yugoslavia, and that is the important thing at the moment.

[Ivanji] You are also defense minister. Can you guarantee that the Serbs in Bosnia are not getting any military aid from Yugoslavia?

[Panic] I can guarantee that our planes do not fly because UN inspectors are stationed at airports in Yugoslavia. Since August I have been imploring the United Nations to monitor the land routes and the borders with Bosnia, too, but it does not do it. It is a long border, and I cannot guard it myself. We have no interest in the war in Bosnia. The Serbs in Bosnians know that, too.

[Ivanji] Your peace initiative is welcomed in Western Europe, but you do not get any specific help.

[Panic] I do not understand that. My government needs specific help. In western Europe there is the opinion that tighter sanctions against Yugoslavia are the shortest way to peace. Austrian Foreign Minister Alois Mock also believes that. They want to exert greater pressure so that more people will vote for me. But the result is rather counterproductive. This does not help me but Milosevic.

[Ivanji] This view of yours also met with disbelief by German Foreign Minister Klaus Kinkel.

[Panic] Kinkel and Kohl are too busy with their domestic policy. Everything that they told the media was for their own people, who are used to a big campaign against Serbia.

Panic Discusses Bonn Visit, Milosevic

AU0112111292 Hamburg DER SPIEGEL in German 30 Nov 92 p 198

[Interview with Prime Minister Milan Panic by an unidentified correspondent in Bonn; date not given: "The West Is Sitting on the Raised Blind"]

[Text] [DER SPIEGEL] Mr. Panic, you have been in office for over 100 days, but a solution to the Balkans conflict promised by you is not in sight.

[Panic] That is not true. I have achieved a great deal. The war in Bosnia has eased off.

[DER SPIEGEL] You are powerless in the current political situation. The Belgrade parliament has tied your hands.

[Panic] Yes, that is true. This parliament is a relic of communism. I am fighting against nationalist elements—one against the rest. Yet the West is sitting on the raised blind and observes with binoculars what is happening instead of supporting Milan Panic and his peace mission.

[DER SPIEGEL] Thus, your visit to Bonn was a failure?

[Panic] Foreign Minister Klaus Kinkel and I told each other a few brutal truths. I scored two to one. Bonn knows that I am the only alternative for the West.

[DER SPIEGEL] The leader of the Serbian Army in Bosnia, General Mladic, has again asked the Yugoslav Army for weapons. Can you reject this request?

[Panic] Our Army will only intervene if Croatian Armed Forces attacks the Serbs in Bosnia—or if the Germans come.

[DER SPIEGEL] What will happen if fighting should break out with NATO forces participating in the naval blockade?

[Panic] The danger of a foreign military intervention exists. In Washington there are also two camps. One advocates the use of force.

[DER SPIEGEL] Why don't you openly run against the Serbian leader Milosevic in the elections on 20 December?

[Panic] Even a large number of his socialists will vote against Milosevic. Who is Milosevic? A nobody, a disaster for the country. People are afraid of him. He should resign.

[DER SPIEGEL] Have you ever told him so?

[Panic] Thirty times.

[DER SPIEGEL] What will happen if Milosevic wins the elections?

[Panic] A civil war will break out in Serbia, which cannot be ruled out even if Milosevic does not win the elections.

[DER SPIEGEL] You have made a number of mistakes. What was the biggest?

[Panic] That I trust everybody here too much—the Croatians, Muslims, and Serbs. I had forgotten in the United States what politics means in the Balkans.

Panic, Bozovic Differ on Economic Policy

LD2511210192 Belgrade TANJUG in English 1529 GMT 25 Nov 92

[Text] Belgrade, November 25 (TANJUG)—The Prime Ministers of Yugoslavia and Serbia, Milan Panic and Radoman Bozovic, set out completely opposite stands about possibilities for the settlement of the Yugoslav economic crisis at a gathering of Yugoslav economists in Belgrade on Wednesday [25 November].

The Yugoslav prime minister urged accelerated privatization and transformation of socially-owned companies into private ones. "Only after their securities are accepted by foreign stock markets will we know that we are on the right track" and there will no longer be a problem with inflow of foreign capital, Panic said.

Yugoslavia cannot obtain foreign capital until the international sanctions are lifted, Panic said, noting that his government had spent 80 percent of its time on their lifting.

The United Nations Security Council imposed economic and political sanctions against the Federal Republic of Yugoslavia on May 30 due to its alleged involvement in the ethnic war in neighbouring Bosnia-Hercegovina.

Serbian Prime Minister Radoman Bozovic said no one was against the process of privatization, but noted that the problem was in the fact that capital was needed to purchase socially-owned property. A takeover of property without payment will not be permitted by those who are now controlling it.

It would have been good if the federal prime minister had today offered some practical solutions for the crisis we are facing. "It seems to me that Mister Panic is here to implement the international sanctions," Bozovic said.

The Serbian Government knows that development is impossible as long as the sanctions are in force and is doing everything in its power to alleviate the consequences for citizens and the economy. The preservation of social and economic balance in society is the priority task, Bozovic said.

The Federal Government's anti-inflation model can, as it stands, be successful but the state will also fall apart. That is too big a stake, Bozovic said.

Belgrade TV Says Panic 'Running His Last Lap'

AU0112093692 Belgrade RTB Television Network in Serbo-Croatian 1830 GMT 30 Nov 92

[Commentary by Kamenko Mutic, including video recording of news conference with Milan Panic, prime minister of the Federal Republic of Yugoslavia, in Rakovac "a few days ago"]

[Text] Those who warned that the devaluation of the dinar was a wrong move have proved right. One should remember here what Vuk Ognjanovic, governor of the National Bank of Yugoslavia, Federal Deputy Prime Minister Dr. Oskar Kovac, and many bankers said. There is the story that when you see a banker jump out of the window, do not ask why he is doing so, but jump after him. This time, bankers have not jumped out of the window, but it is already clear why the Federal Government did: to undermine the economic and social program of the Government of Serbia.

A few days ago, at a news conference in Rakovac during his visit in Novi Sad, your reporter asked Federal Prime Minister Panic the following:

[Begin recording] [Mutic] How do you comment that, first, only a week after the devaluation of the dinar, the German mark has doubled in value again, and second, how do you see the Central Bank of Yugoslavia? Do you see it in its present role, with its present powers, or somewhat differently?

[Panic] Through the change in the dinar-dollar exchange rate we tried to give holders of old [foreign exchange] saving accounts—something we discussed at the Chamber of Commerce—an opportunity to exchange their savings for dinars and, although they would lose 10 percent, to be able to buy foreign currency in the market again. However, that has not happened. [word indistinct] they were cheated once again. Somebody started printing money immediately the day after.

As regards the Central Bank of Yugoslavia, we have a very good governor. He is as steadfast as can be. You must have such a governor. (?If he decides something), he will not change it. And he is not under the government. He makes decisions himself. He listens to what we say, but he (?can) make decisions.

However, the system is such that he has three Serbs...

[Unidentified speaker] Three governors from Serbia.

[Panic] ...governors from Serbia and two from Montenegro.

[Unidentified speaker] One from Montenegro.

[Panic] One from Montenegro and himself. So, whenever they want to print [money], they force poor Vuk to print.

[Mutic] You have not answered my question.

[Panic] The question was the Central Bank.

[Mutic] Well, the question was whether in that case the Serbs are that factor of disturbance or shall we change the bank, or change the governor, or what shall we change?

[Panic] The system!

[Mutic] What kind of bank do you want?

[Panic] The system. If you elect good representatives in that state, if you elect people who do not cheat, people who do not try to buy votes by printing money.... [end recording]

Even the most naive knew that it would not be possible to buy the German mark at the price mentioned by the prime minister, that such a policy for the rate of the dinar implemented through interest rates and exchange rates fosters inflation and destroys the banking system. Regarding Prime Minister Panic's assertion about printing money, the day after that the governor of the National Bank of Serbia denied the assertion, demanding proof of when and how it was done. This has still not been provided.

By the way, last week, many things happened to our prime minister: First he claimed that sanctions are to blame for 40 percent of the fall in production. Two days later, the figure issued by his cabinet was 75 percent.

In Germany, they failed to bring him steps to disembark from the plane and they did not want to be photographed with him. His ministers are leaving him: First Mrs. Radmila Milentijevic, followed by Nikola Sainovic, and Deputy Prime Minister Dr. Oskar Kovac. We shall see who will be next, but perhaps it no longer matters. It is increasingly clear that the prime minister is running his last lap.

Government Objects to Mazowiecki's Report to UN

LD2811171592 Belgrade TANJUG in English 1021 GMT 28 Nov 92

["Pool" item]

[Text] New York, Nov 28 (TANJUG)—Yugoslavia's objections to the report of special U.N. rapporteur for human rights violations in the territory of the former Yugoslavia Tadeusz Mazowiecki were circulated at the U.N. headquarters in New York on Friday [27 November] as an official document of the U.N. General Assembly.

In the document, the Yugoslav Government said it wanted to draw attention to "certain errors" and "superficial conclusions" in the Mazowiecki report on the situation concerning human rights in Yugoslavia, especially in Serbia's provinces of Vojvodina and Kosovo-Metohija and its Raska (Sandzak) region in the southwest.

The Yugoslav document pointed to a series of erroneous statements in the Mazowiecki report which had been submitted to the General Assembly's Committee for Social, Humanitarian and Cultural Affairs.

The rapporteur has failed to notice the efforts invested by the Yugoslav government for protecting human rights in Yugoslavia, the document said.

Mazowiecki has also failed to notice over 500,000 refugees who found sanctuary in the Federal Republic of Yugoslavia, including 40,000 Moslems and members of other ethnic groups, whose suffering is further aggravated because of shortages caused by economic sanctions against Yugoslavia, it added.

The document also underlined that those responsible for the isolated cases of ethnic cleansing in Yugoslavia—which the Yugoslav Government energetically stopped—had been brought to justice.

Mazowiecki's claims concerning ethnic Albanian civil servants in Kosovo-Metohija are completely wrong, like the ones relating to ethnic Albanian schools, papers and religious freedoms, the Yugoslav document said.

Reports on the exodus of Hungarians and Croats from Vojvodina are also not true, the government said. Mazowiecki's report claims that as many as 90,000 ethnic Hungarians have left Vojvodina, and that 70,000 Moslems have fled Raska.

The Yugoslav Government said it could not accept assessments in the Mazowiecki report which lead to the conclusion that Serbs in the war-battered former Yugoslav Republic of Bosnia-Hercegovina were chiefly responsible for all brutalities reported in that war. Such assessments only undermine efforts to stop human rights violations, the Yugoslav document said.

The major conclusions in the Mazowiecki report have been made in an unacceptable and arbitrary way, the Yugoslav Government said in conclusion.

Wiesel: Bosnian Camps Not 'Concentration Camps'

LD3011223792 Belgrade TANJUG in English 2150 GMT 30 Nov 92

[Text] Belgrade, Nov 30 (TANJUG)—Nobel Peace Prize Laureate Elie Wiesel said at a news conference held in Belgrade on Monday [30 November] evening together with Yugoslav President Dobrica Cosic at the end of a visit to Yugoslavia that the camps he had seen in the war-torn former Yugoslav Republic of Bosnia-Hercegovina were not concentration camps, but that the situation in them was nevertheless very bad.

Wiesel said he had visited the Manjaca Detention Camp (in Serb territory in Western Bosnia). Although told by those that had visited it earlier that the situation had improved, he said people there would soon begin to die owing to the cold.

He said the prison for Serbs he had visited in Sarajevo was no better. People there spend 24 hours a day in total darkness, he said.

Wiesel was in former Yugoslavia at the invitation of President Cosic on a four-day peace mission together with a group of reporters from Italy, France and the United States to inquire into possible crimes of war in the civil, ethnic and religious war in former Yugoslavia.

Wiesel said he had experienced former Yugoslavia as a place of terrible pain. "I don't understand what is happening. I am leaving with more questions than I arrived with—what is happening, why is there so much hatred and killing, when and how will it end," Wiesel asked.

"Bring some sanity back into your hearts," he said emotionally, asking himself how children who had gone through it all would enter the 21st century.

Asked if he had reached some form of agreement with representatives of the warring sides (Moslems and Serbs) during his visit to Sarajevo, Wiesel said he had not gone there for that but to talk about saving people.

Everyone is talking the same thing, he said, adding that their words, arguments, accusations were the same. "I was frightened, there is no more dialogue, just a monologue by different people," he said.

Asked if he knew about camps for Serbs in Bosnia-Hercegovina, Wiesel said he knew about their names and that reliable witnesses, journalists, had told him about them, but that he could not say anything else until he saw them.

Asked to comment on his visit to Kragujevac, where the Nazis killed 7,300 civilians, mainly schoolchildren and their teachers, in a single day in World War Two," Wiesel said: "I can but bow my head and beg for repentance."

"I believe in the power of remembrance, that is why I go to those places. I don't understand it—to kill 7,000 schoolchildren and their teachers. It must all be remembered, but we must also open up, so we can leave the pain behind us and free ourselves from it. So as to live in peace with others—only then will we be able to live in peace with ourselves," he said.

President Cosic praised Wiesel's mission, adding that he believed in Wiesel's "conscientious and human testimony."

Ministry Lodges Protest to Albania Over Kosovo

LD3011155392 Belgrade TANJUG Domestic Service in Serbo-Croatian 1455 GMT 30 Nov 92

[Text] Belgrade, 30 Nov (TANJUG)—The Foreign Ministry of the Federal Republic of Yugoslavia today lodged a protest with the charge d'affaires of the embassy of the

Republic of Albania because of the policy of the Albanian Government toward Yugoslavia, especially in connection with Kosovo. It was noted that such a policy leads to the destabilization of the region and puts in jeopardy not only Yugoslavia, but peace in the Balkans as a whole as well.

Resolute protest was expressed in connection with a statement by Albanian President Sali Berisha in which he advocates military intervention as the only method to solve the crisis and asks for military facilities and resources in Yugoslavia to be bombed. Attention was drawn to the fact that such statements contradict the obligations that Albania assumed when it joined the CSCE, as well as the UN Charter and principles on which relations between states are based.

The protest mentions many other Albanian activities hindering finding a solution for the problems of Kosovo, as they lend support to secessionism.

The protest notes that by such actions Albania has taken on a huge responsibility by making more difficult the current efforts of the FRY Government and activities in the framework of the peace process in Geneva, which search for solutions to the existing problems through a political dialogue.

Representatives of Russia, the United States, Great Britain—as the president of the European Community—and Czechoslovakia—as the CSCE president—lodged a protest in Tirana because of Albania's advocation of a military strike against targets in Yugoslavia and its maneuvers on the border with the FRY.

Minister Warns Against Easing Arms Embargo

LD3011163292 Belgrade TANJUG Domestic Service in Serbo-Croatian 1343 GMT 30 Nov 92

[Text] Belgrade, 30 Nov (TANJUG)—Yugoslav Foreign Minister Ilija Djukic has sent a personal message to Hamid al-Ghabid, secretary general of the Islamic Conference Organization [ICO], stressing that additional arms for any of the warring sides will result in the further escalation of the war with unpredictable and far-reaching consequences.

The message was sent on the occasion of the ICO ministerial meeting in Jeddah on 1 and 2 December, which will discuss the crisis in Bosnia-Hercegovina as the main point of the agenda. It is expected that the ICO will attempt to exert pressure to have the UN embargo on exporting weapons to Bosnia-Hercegovina lifted.

"We firmly abide by the principle that more weapons always means more war, and that only more understanding and negotiations by authorized representatives of all interested nations can pave the way for defusing the tension and restore peace," Djukic said in his message.

Djukic drew attention to the signs of an increased awareness that the current crisis and war in Bosnia-Hercegovina was instigated by a premature recognition of Bosnia-Hercegovina before Muslims, Serbs, and Croats had a chance to reach a constitutional agreement. He went on to say that "the crisis was exacerbated by a complete disregard of a clearly stated desire of the Serb people in Bosnia-Hercegovina, who unanimously are in favor of a constitutional structure in Bosnia-Hercegovina that would guarantee constitutional balance and reflect the interest of all three nations living in it."

Regarding premature recognition and disregard for the results of the Serbian people's referendum as "fatal mistakes," Ilija Djukic also stressed in his message that not a single soldier from the Federal Republic of Yugoslavia has been in Bosnia-Hercegovina since 19 May. The foreign minister stressed that the government of the Federal Republic of Yugoslavia has invested all its influence in reaching an agreement between the Serbs of Bosnia-Hercegovina and the UN Protection Force on lifting the blockade of Sarajevo and deploying international observers.

"We resolutely oppose," Djukic's message to the Islamic Conference continued, "every form of 'ethnic cleansing' regardless of who does it." Ilija Djukic added, however, that "it is not recommendable, nor does it facilitate the overcoming of the crisis and war, to claim that what is happening in Bosnia-Hercegovina is a matter of 'Serbian aggression.'" In Minister Djukic's view, in so doing one is trying to convey the impression that the Serbs have arrived in Bosnia-Hercegovina as aggressors "although they have lived there for centuries and, according to all official data, constituted the absolute majority of the population until as recently as 1981."

No one is in the majority in Bosnia-Hercegovina now, Ilija Djukic concluded, an additional reason why solutions must be sought by agreement of all three peoples and with international assistance. Such an agreement, which would be reached within the framework of the internationally accepted Geneva conference, will be accepted and respected by the Federal Republic of Yugoslavia.

Sanctions Halve Exports, Double Trade Deficit

LD0112104492 Belgrade TANJUG Domestic Service in Serbo-Croatian 0648 GMT 1 Dec

[Excerpt] Belgrade, 1 Dec (TANJUG)—The sanctions under which the Yugoslav economy is functioning have halved its exports over a nine-month period [January to September 1992], and have doubled the deficit in the trade with the world, analyses of economic currents in this year compiled by the Federal Government show.

The value of the goods sold in that period amount to $ 2.139 billion, and that of the purchased goods to 3.286

billion, which means that at the end of September this year trade deficit was $1.147 billion compared to $593 million last year.

Net profit from services abroad was reduced to 164 million which is only one-third of last year's profit, while only the income from remittances doubled compared to the same period last year.

In the nine-month period, of $1.122 billion which our workers abroad remitted home, $697 million were paid out, which means that net profit from the remittance was $425 million.

When all inflows and outflows in and from the country are taken into account, the deficit in the current balance of payment was $675 million compared to last year's $589 million.

The whole impact of the sanctions can however not be seen in the nine-month period, because the period includes the first six months of this year, when economic and financial transactions with the world were to a large extent normal. [passage omitted]

Issue of Who Controls Yugoslav Army Discussed

93BA0229A Belgrade NIN in Serbo-Croatian 13 Nov 92 p 9

[Article by Svetislav Spasojevic: "Whose Army Is It"]

[Text] *Most of the 70 generals were removed just before Dobrica Cosic came to be top man in Yugoslavia. How should one interpret that?*

After becoming top man in Yugoslavia, Academician Dobrica Cosic hurried to receive almost all those who play a prominent role in the country's political life. The reader certainly remembers that precisely during those days the president rushed to visit Zivota Panic, the chief of the General Staff of the Army of Yugoslavia. In the sphere of high politics nothing is accidental, and the difference between receiving and visiting has a definite significance.

The Panics are certainly the tennis pair of the year. Cynics say that Milan, used to winning, to the great joy of Zivota and indeed observing corporals, is now losing more than he wins. Is it that he is not in shape, or is he possibly losing deliberately?

Frightened by the environment in which we are barely staying alive, and especially by the increasingly deeper split among the leaders and the increasingly more apparent threat of a civil war, we are asking more and more often whose side the police and Army are on. Really, who is the commander in chief of the Army of almost 200,000 people who are equipped to fight for several years "without getting a bullet from outside?"

In this country today, possibly more than yesterday, the Army and police are a political factor! One only has to recall Dr. Borisav Jovic's threat that the Army, the police, and the people are on his side (read: the Socialist Party of Serbia). The people, of course, are included more as a decoration. Personally, I was not surprised as much by Mr. Jovic's claim as by the silence of the people on the General Staff. In tragic times when the people, through the incomprehensible selfishness of their leaders, are simply being driven to flood the streets in the search for hope and dreams, boasting of the support of the Army and the police is more than political insanity.

Let us simplify matters regarding the police immediately. The question of whose it is is like asking, "Which river flows under the Sava Bridge?" Mr. Slobodan Milosevic came out of Petar Stambolic's personnel school, and it is not wise to underestimate him as not being expert in that field. Informed sources say that the Serbian president purged the personnel of the republic police in time and made them into an impenetrable echelon. The occupation of the premises of the federal police is only one in a series of proofs of who actually commands the police. Furthermore, the power of the federal police, in comparison with the republic one's, is obviously minor. Only the weak are quickly overcome.

It is not an accident that in this article, the intention of which is to answer the question of who the Army belongs to, we are devoting so much space to the police. Here is a detail that justifies it. At the beginning of May 1992, the top Army intelligence officer, General Aleksandar Vasiljevic, was removed, and Gen. Nedjo Boskovic was brought from the reserves into his position and appointed new chief of the Security Administration. The new chief of the KOS [Counterintelligence Service] assumed his duties in the company of two special forces personnel from the republic Ministry of Internal Affairs! Informed sources say, by no means too loudly, that that was the day when the previously powerful KOS "became a forward detachment of the republic police."

In the area of security, there were three independent services, which naturally cooperated: the military, federal, and republic ones. The republic one succeeded in usurping the prerogatives of power, in which the police in this region have never been short of, exclusively for itself, and subordinating them to its boss. The one who has the most sensitive information available is the one who has the actual power in a given area. One can only surmise the extent of the power over the people whose names are in the abundant documentation of the secret services. That power is now increased threefold, because only one side has taken control of it.

The Yugoslav secret services have thus been "unified," without the participation of the civilian authorities, and the Assembly. Informed sources say that this was all done behind the public's back.

At the beginning of this year, and later in May as well, about 70 generals were removed from the military leadership! It was done with the explanation that "the transformation of the Army and the rejuvenation of the officer corps" were necessary. Certainly that reason

holds true, but it is even more true that the one to blame for the lost war was supposed to be found by removing a large number of generals.

It was planned that two important goals would be achieved through their retirement. It has been conveyed to the public that "the war was lost by the incompetent military leadership," and, which is even more important, that the SFRY Presidency did not have anything to do with that loss, so to speak. The replacement of the generals carried that message. Surprisingly, at that time Branko Kostic stated: "The military leadership did not take steps on its own account, without consulting and agreeing with the Presidency." No one asked him why the generals were being retired, then, if the members of the Presidency were not abdicating. And who will ask him, when the war, like a gypsy camp, moves from one place to another, when Serbia is not at war, and the Jovic-Kostic team is acting with such self-confidence that any doubt is ruled out from the start. They are working for the general good, and we have yet to see about the rest.

The commander in chief of the Yugoslav Army, as you naturally recall, was Mr. Branko Kostic, Dr. Borisav Jovic, Jugoslav Kostic, and Sejdo Bajramovic. Consequently, they are the sole ones to blame for the amateurish and tragic stop-and-go military tactic, up until the moment that they say publicly who their commander in chief was at that time. The attempts to find another culprit are absurd.

At the beginning of this year, Serbian President Slobodan Milosevic invited a lot of generals for a discussion. It was done behind the backs of the military leadership! The next vital detail for an analysis of the events within the government leadership itself is, of course, the fact that most of the 70 generals were removed just before Dobrica Cosic came to the position of the top man in Yugoslavia. How should one interpret this? As making the job easier and laying the groundwork for the successful start of the federal leadership, and thus of the third Yugoslavia? Or, since the military leadership had already been ethnically cleansed before that, as the final act in its subordination to Slobodan Milosevic? The former was realistic, and the latter has possibly already happened.

Article 135 of the FRY Constitution says that the federal state's Army "is commanded in war and peace by the president of the Republic, on the basis of a decision by the Supreme Defense Council." In addition to Mr. Cosic, that council also includes the leaders of Montenegro and Serbia. From the outside, and not ignoring the current internal dispute between the federal and Serbian leaderships, one could get the impression that the academician, admittedly with the assistance of Mr. Bulatovic, currently has the final word in possible military activities. Naturally, there is also a detail that cannot be overlooked—the military leadership was selected by the ambitious Milosevic. Finally, here is a reminder: All the armies in the world sometimes have the strange habit of becoming obstinate and refusing to obey the commander in chief.

There is thus confusion about the Yugoslav Army's commander in chief. Who and where it is are much less clear than it says in the Constitution. That is why there is growing fear that the Army, for instance, might determine the extent and framework of democracy. Other mistaken notions are also being circulated, as in all troubled times. Was the Army, as Gen. Panic recently stated, actually departy-ized and depoliticized? Whom do the young officers support? There is a great deal of speculation that they support Milosevic, but there are also many claims that they are unanimously behind Panic.

That is why, with respect to a precise answer to the question to whom does the Army belong, it seems that anything is possible.

Montenegro

Eight Candidates Put Forward for Presidency

LD3011175292 Belgrade TANJUG Domestic Service in Serbo-Croatian 1321 GMT 30 Nov 92

[Excerpts] Podgorica, 30 Nov (TANJUG)—The republican Electoral Commission today confirmed and declared eight candidates for the president of Montenegro. The Democratic Party of Socialists nominated Momir Bulatovic; the Serbian National Renewal for Montenegro and Hercegovina Zivojin Kir Radovic; the National Party Novak Kilbarda; the Democratic Party Slobodan Vujosevic; the Liberal Alliance Slavko Perovic; the Democratic Christian (Orthodox) Party Predrag Popovic; a Group of Citizens and the Federation of 1991-92 War Veterans Branko Kostic; and, a group of citizens Dragan Hajdukovic. [passage omitted]

A candidate who gets more than 50 percent of the votes will be elected the Montenegrin president to a five-year mandate on 20 December.

Macedonia

Gligorov Requests UN Troops on Kosovo Border

AU3011183192 Vienna PROFIL in German 30 Nov 92 p 57

[Interview with Macedonian President Kiro Gligorov by Tom Schimmeck in Skopje; date not given: "A Spark, a Fire..."]

[Text] [Schimmeck] Mr. President, what does Macedonia mean to you?

[Gligorov] It is my fatherland, my home. There were Balkan wars about the division of Macedonia. Our international recognition is a condition for peace and stability in the Balkans.

[Schimmeck] You have always worked for Yugoslavia. Today you are the president of a small part of the crumbled federation. Is this a loss?

[Gligorov] We should have preserved the positive elements of the mutual ties and prepared for the EC. But nationalism won. There were many slogans, and finally, there was war. Such nonsense—wanting to put Serbs, Croats, and Albanians into one state each. The Balkans are the most mixed region in Europe, all people should learn to live together instead of making this absurd attempt to create ethnically cleansed states.

[Schimmeck] Is this not what Tito tried to do for a long time?

[Gligorov] He tried it, but it did not happen under the conditions of democracy, free initiative, and market economy. All of Yugoslavia's difficulties have been turned into national problems. It was said that Croats, Slovenes, and Macedonians were being bled, while even the Serbs considered themselves to be terribly exploited. Absurd. But if one does not have any honest answers, attempts are made to find them by accusing the other nationalities. Then a conflict cannot be avoided.

[Schimmeck] What can you do to reduce the tensions which are also growing in your country?

[Gligorov] Macedonia is a multinational state. We need tolerance, mutual understanding, and a citizens' constitution. On the one hand, we are struggling against Macedonian nationalists, on the other hand against the demands of the Albanians, who want a national constitution—which would mean a continuation of the conflict between the two nationalities. We are first of all human beings, then citizens, and only then people of different nationality, religion, etc. Not the other way round—otherwise human qualities and the qualities of citizens are lost.

[Schimmeck] Are you also afraid that Serbia might fan the conflict with the Albanians and incite a new war?

[Gligorov] From the very beginning Serbia wanted us to cooperate in the struggle against the Albanians. We have decided on a different way and, therefore, been able to preserve peace. But if there is an armed conflict in Kosovo, there is the danger that it spreads to our side [of the border]—for instance, through an enormous influx of refugees, which would destabilize the country.

[Schimmeck] Would you have the means to stop it?

[Gligorov] In view of the dangers of Kosovo, I recently asked UN Secretary General Butrus-Ghali to send peacekeeping forces, which would be deployed at the border between Macedonia and Kosovo. We do not want any war. Therefore, we have not established any paramilitary forces.

[Schimmeck] Your Interior Ministry claims that Belgrade arranged the shoot-out between Albanians and police in Skopje at the beginning of November.

[Gligorov] Yes, there are such assumptions. I think that the event was rather the result of the tense atmosphere here in Macedonia—because of the non-recognition, because of the economic difficulties, the insecurity of the people. In such an atmosphere a spark may cause a big fire.

[Schimmeck] Your neighbor Greece does not want to accept even the name of Macedonia. Is there a solution to this problem?

[Gligorov] We are doing everything to help Greece. The Greeks have created an atmosphere of strong emotions, which does not have anything rational. This is a repetition of the cases of Serbia, Croatia, and Bosnia, where there also is a strong national emotion and people cannot talk to each other. We have done quite a lot to cool down emotions. We have changed the Constitution, we have suggested a treaty to guarantee the borders, and a friendship and cooperation treaty. And every time there were new complaints.

[Schimmeck] Where is the limit of your readiness for compromise?

[Gligorov] Macedonia must be an independent state. Otherwise, the Serbs say that we are Serbs and the Bulgarians that we are Bulgarians—and then there is a Balkan conflict. If somebody is behaving irrationally, he often does not see even his own interests. I thought that Greece would be a factor which would play an extraordinary role—as the representative of the ideas of the EC—in the Balkans. Instead, they have strained relations with us—up to the danger of war. One knows their relations with Turkey, with Albania; they do not have really good relations with Bulgaria, either. This is not a good position.

[Schimmeck] How do you explain that?

[Gligorov] In Greece there is competition between the government and opposition parties about who is the greater patriot. Thus, the EC has been pushed into an untenable position and tomorrow it might be responsible for a new conflict. This may easily happen in the Balkans. Here people live more in history, in symbols, and in myths. The last thing to be taken into consideration is how people live today and what their problems are. And one thinks even less of the future. We have tried to be an exception—the only republic that does not participate in the war. Now we are the only one that does not belong to the United Nations.